

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

Paris, Wednesday, January 21, 1998

No. 35,734

TODAY:
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Italy's Hit Film, Page 10

Suharto Running Mate: The IMF's Nightmare?

President Hints at a Backer of State Control

By Paul Blustein
Washington Post Service

JAKARTA — President Suharto of Indonesia let it be known Tuesday that he intends to serve a seventh five-year term in office, and in a move that stirred unease among international investors, he hinted that his choice for vice president is a strong-willed technology minister whose views are anathema to the International Monetary Fund.

The chairman of the ruling Golkar party, Harmoko, said after meeting with Mr. Suharto that the president "is ready to be nominated at the People's Consultative Assembly meeting" in March, which will be dominated by supporters of the 76-year-old leader.

Mr. Suharto, who took control over the world's fourth most populous country in 1966 after a military coup, has faced a number of public calls recently for his resignation or retirement as the country's financial crisis has deepened. But Mr. Harmoko said that a poll showed "the majority of the people still

want Suharto to be nominated as president" and that the Mr. Suharto "will accept" their trust in him.

That much was widely expected. But what is causing the Jakarta rumor mills to work overtime is speculation that Mr. Suharto has settled on B. J. Habibie, the minister for research and technology, as his next vice president and presumed successor.

The announcement fueled the rumors because Mr. Harmoko made public a list of more than a dozen criteria that Mr. Suharto had said his vice president must have, and No. 4 on the list was "an understanding of technological knowledge for the benefit of the national interest."

That would appear to point to Mr. Habibie, 61, whose most controversial moves have involved putting government money into projects that he believed would enable Indonesia to leapfrog past other countries in technological advancement. The best known

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Benjamin Netanyahu, left, and Bill Clinton meeting Tuesday at the White House. An administration official said the Israeli leader's cool reception constituted "snub diplomacy."

An Initial Meeting Of Clinton and Netanyahu Yields Little Progress

Comments Indicate Wide Gaps
In the U.S. and Israeli Positions;
'A Decision to Go to Peace'

By John F. Harris
Washington Post Service

WASHINGTON — President Bill Clinton and Prime Minister Benjamin Netanyahu of Israel met for nearly two hours in the White House on Tuesday in a session that American officials had promised would include a blunt statement from Mr. Clinton about his unhappiness over the faltering Mideast peace process.

The meeting appeared to have yielded little progress, but an official in Mr. Netanyahu's entourage said the two leaders would talk again later Tuesday at the White House.

"No agreement has yet been formulated," Mr. Netanyahu told Israeli television in an interview granted immediately after his initial talks with Mr. Clinton.

He said there was "clear understanding" that Israel and the United States wanted to find a way to push Israeli-PLO talks toward a final peace settlement. But in comments suggesting wide gaps in the Israeli and American positions on how to open such talks, Mr. Netanyahu described the meeting as an attempt for Mr. Clinton to "understand our considerations."

Before the session, Mr. Netanyahu pledged that his government had "made a decision to go to peace" with Palestinians, and expressed confidence that, despite his weak position in the Israeli Parliament, "I can muster the necessary support across the government, across the coalition for something that would move the peace process forward, and maintain secure and defensible boundaries for Israel."

But American officials said prospects seemed dim that Mr. Netanyahu's definition of what would move the process forward were anything close to what the Clinton administration is seeking.

Administration officials said before the meeting that they expected Mr. Netanyahu to present a plan that would have Israel withdraw from less than 10 percent of the West Bank, in exchange for new security assurances from the Palestinian Authority. Administration officials have said that the withdrawal must be more than that to be credible.

Mr. Clinton, returning to the high-profile involvement in the peace process that he avoided for most of 1997, is scheduled to meet with the Palestinian Authority leader, Yasser Arafat, at the White House on Thursday.

Mr. Clinton denied a reporter's suggestion that he was trying to put "pressure" on Mr. Netanyahu to make more concessions.

"I wouldn't use that word," Mr. Clinton said. "Israel has to make its own decisions about security."

In fact, the visit was filled with suggestions that the pressure was moving in both directions. Upon arriving in Washington on Monday night, Mr. Netanyahu took the extraordinary step of meeting with a group called Voices United for Israel, a coalition dominated by Christian fundamentalists critical of the administration. His visit here includes a scheduled interview with Pat Robertson of the Christian Broadcasting Network, and meetings with the Moral Majority founder, Jerry Falwell.

Mr. Netanyahu is also scheduled to meet with congressional Republicans critical of Mr. Clinton's Mideast policy.

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ARAFAT ACCORD — Yasser Arafat at the signing of an investment accord in Paris on Tuesday. Separately, the Holocaust Museum in Washington reversed its snub of the Palestinian leader. Page 7.

Butler Calls Talks in Iraq Toughest Yet

Documentation on Arms
Is Still Being Withheld

By Barbara Crossette
New York Times Service

BAGHDAD — In talks that Richard Butler, the chief United Nations weapons inspector, described as the toughest he has had since he took charge of disarming Iraq last year, agreement was reached Tuesday on how to begin reviewing Baghdad's assertions that some weapons had really been eliminated.

But Iraq continues to refuse to provide more documentation to back its contentions, Mr. Butler said in an interview. He called this tactic an attempt at "disarmament by declaration."

The talks are being held in an atmosphere of heightened tension because of Iraqi threats to expel all arms inspectors within six months if sanctions are not lifted.

The issue of access to suspected weapons sites that are still off-limits to inspectors, including presidential palaces, has been left to a final session. UN officials said that Mr. Butler would make the results of those talks public Wednesday morning before he left Baghdad. He is due to report to the Security Council in New York on Friday.

On Tuesday, Mr. Butler rejected Iraqi demands that American U-2 surveillance planes flying over Iraq for the UN be replaced with Russian or possibly French aircraft. He told Deputy Prime Minister Tariq Aziz, who leads the Iraqi delegation, he would look at other aircraft. "But we would look at them to supplement, not replace, the U-2s," he said.

"It's been pretty tough this time," Mr. Butler said of the exchanges in the talks. "Iraq is pretty angry and wants to get to the end of the process."

Iraq has been under comprehensive sanctions that have crippled the economy by barring the sale of oil since Baghdad's invasion of Kuwait in August 1990 and the Gulf War the next year. To have the sanctions lifted, President Saddam Hussein's government must convince Mr. Butler's commission that all its weapons of mass destruction and the means to make more have been eliminated. Arms inspectors are far from giving Iraq a clean bill of health.

Nevertheless, Mr. Butler said, there are some areas where the Iraqis and the United Nations Special Commission that he heads are close to agreement.

A review of Iraqi records on the special missile, warheads built to deliver biological and chemical weapons will begin in two weeks. An evaluation of Iraq's VX nerve gas program follows. The Iraqis want to close the files on both, and Mr. Butler called them "ripe for study."

In both cases, all five permanent members of the Security Council — Britain, China, France, Russia and the United States — plus Germany will be represented on the technical evaluation teams, Iraqi and UN officials said. This

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Would-Be Human Cloners Are Warned Off

By Rick Weiss
Washington Post Service

WASHINGTON — The U.S. Food and Drug Administration has decided that it has the authority to regulate human cloning, and agency officials are warning that it would be a violation of federal law to try the procedure without approval.

The declaration confirmed what U.S. officials have hinted at since a Chicago-area scientist announced this month that he would try to clone a person. The officials see human cloning as presenting "serious health and safety issues" for the fetus and the mother

and thus requiring government approval. Anyone who wants to attempt human cloning must apply to the drug agency, which would then undertake a review, the acting agency commissioner, Michael Friedman, said in an interview Monday. The agency will take anyone who fails to file that application to court, he said.

"Through the Food, Drug and Cosmetic Act we do have the authority to regulate human cloning, and we are prepared to assert that authority," Mr. Friedman said.

G. Richard Seed, a physicist who has been involved in fertility research since the early 1970s, had declared his intention to proceed

with human cloning. He said in an interview that he would have to think about whether to challenge the agency's legal interpretation, or simply move his cloning effort offshore.

"I'm going to have to talk with a lawyer," he said. "I'd have to evaluate on what basis they're saying this — what clause of which law."

President Bill Clinton banned the use of federal funds for human cloning research last March, after scientists in Scotland announced they had cloned an adult sheep. But legislation to ban privately financed human

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AGENDA

Drugmakers' Merger Talks Spur Stocks

The Dollar			
New York	Tuesday @ 4 P.M.	previous close	
DM	1.8395	1.8333	
Pound	1.627	1.634	
Yen	128.495	129.255	
FF	6.1575	6.1425	

The Dow			
	Tuesday close	previous close	
+119.57	7073.12	7763.55	

S&P 500			
	Tuesday @ 4 P.M.	previous close	
change	+17.06	978.59	991.51

Stock prices of some major international drug companies jumped Tuesday in anticipation of a new round of takeover activity after SmithKline Beecham PLC said it was discussing a possible merger with American Home Products Corp.

The combination, if completed, would create the world's largest pharmaceutical company and underscore the intensifying pressure for economies of scale in the industry. Other takeover speculation centered on such drugmakers as Zeneca Group PLC and Bristol-Myers Squibb Co. Page 11.



NOT SO FAST — Chancellor Helmut Kohl joking Tuesday with Prime Minister Romano Prodi in Rome. Mr. Kohl was noncommittal on Italy's bid to adopt the single currency, saying there was "no point in philosophizing" before a May 10 summit meeting. Page 7.

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PC Titans Hook Up With Phone Firms

The Goal: Superfast Internet Service

By Seth Schiesel
New York Times Service

NEW YORK — Three titans of the computer industry have joined with most of the largest U.S. local-telephone companies to enable consumers to receive Internet data over regular phone lines at speeds much higher than are currently possible, according to executives involved with the alliance.

Compaq Computer Corp., Intel Corp. and Microsoft Corp. intend to announce the venture next week at a communications conference in Washington, the executives said.

The formation of the group is one of the most significant early moves in what promises to be a long battle between telephone companies and cable-television companies for control of the market for high-speed access to the Internet.

The executives said the three companies, which set much of the agenda in the computer industry, had teamed up with GTE Corp. and with four of the five regional Bell telephone companies to set technical standards for the next generation of Internet access through telephone lines.

The group wants to have modems and software based on the new standards on store shelves by next Christmas, the executives said. If the group succeeds in popularizing the technology, consumers could get data such as World Wide Web pages from the Internet at speeds as much as 30 times those of today's fastest modems. Pages that now take minutes to view would appear on a computer's screen almost instantly.

Most important, perhaps, the new modems would plug into

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Unknown Soldier May Soon Be Known

By David Stout
New York Times Service

WASHINGTON — Pentagon officials say they are dealing with the possibility that an American killed in Vietnam and interred at the Tomb of the Unknowns in Arlington National Cemetery might not be unknown at all.

They confirmed Monday that they were trying to determine whether the serviceman was Lieutenant Michael Blassie, a decorated U.S. Air Force pilot, whose plane was shot down near An Loc on May 11, 1972. There is a possibility that the remains will be exhumed for DNA testing, the Pentagon said.

While conceding Monday that she was not sure the Arlington shrine holds the remains of her brother, Lieutenant Blassie's sister Pat said, "The trail leads to the tomb."

The controversy over the Arlington tomb was reported Monday night on CBS. The network said the skeletal remains of an American flier were found on Oct. 31, 1972, along with an identity card, money and shreds of a flight suit.

The remains were at first designated "believed to be" Michael Blassie, the network reported. But the identity card and money disappeared under circumstances never made clear, the report said, and several years later, with pres-

sure mounting on the Pentagon to find an unknown serviceman from the Vietnam War for interment at the tomb, the remains were designated unknown.

Ms. Blassie said that her family was notified in 1972 that Lieutenant Blassie, who was 24, had been shot down in flames and was presumed dead. But the family was not notified until about five years ago that an identity tag bearing his name had been found, she said.

A spokesman for the Defense Department office that handles matters pertaining to prisoners of war or servicemen missing in action cautioned

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When Corporate Morale Flags: Time to Bring On the Cheerleaders

By Mark Leibovich
Washington Post Service

WASHINGTON — Reeling from a nasty run of disappointing earnings, executive departures and dispiriting layoffs, the management of Silicon Graphics Inc. decided it was time to take hard-core, morale-boosting action. So Friday morning they called in the cheerleaders.

Wearing specially designed SGI football jerseys, employees waved pompons and gyrated in formation. They cried out in rhyme about their company and its products:

"Orcane, Origin, Onyx, too.
"Silicon Graphics is good for you."

With the approach of Super Bowl — the annual extravagant finale of the American professional football season — it was high time for a high-tech pep rally, and a motel ballroom in Fairfax, Virginia, was decked out in full gridiron splendor for the occasion, carpeted in artificial turf and outfitted with a yellow goal post, a scoreboard and bleachers. About 340 Washington-area staff of Silicon Graphics gathered to "kick off" the second half of the company's fiscal year with a marathon of motivational speeches, taped marching-band music and first-half Most Valuable Player award presentations.

While the Super Bowl has become an entrenched American tradition in sales, social and

advertising circles, its reach now extends into the corporate motivational arena, according to executives, event planners, and management consultants.

It comes at a time when elaborate "themed events" to bolster employees have become a year-round corporate sport. There are motivational Mardi Gras celebrations and sock hops, military simulations and scavenger hunts. The Super Bowl, an annual marriage of success and excess, exists clearly within this spectrum.

"If there is any event in America that is hype and motivation, it's the Super Bowl," said Michael Bernacchi, a marketing professor at the University of Detroit Mercy who has studied the cultural

aspects of the Super Bowl and has published several newsletters on the subject. "This trend makes absolutely perfect sense."

Likewise, it has meant a blitz of business for jocks-turned-motivational speakers, who have been ubiquitous podium fodder of late.

Joe Theismann, the former Redskins quarterback and current ESPN football analyst, said, "If I weren't working at the Super Bowl, I'd be able to give presentations every day in the two weeks leading up to the game."

He addressed employees at a "pre-game" banquet Thursday night. The day before in Atlanta,

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Newsstand Prices

Andorra.....	10.00 FF	Lebanon.....	LL 3,000
Antilles.....	12.50 FF	Morocco.....	16 Dh
Cameroon.....	1,800 CFA	Oman.....	10.00 Rf
Egypt.....	5.50	Réunion.....	12.50 FF
France.....	10.00 FF	Saudi Arabia.....	10 SR
Gabon.....	1,100 CFA	Senegal.....	1,100 CFA
Italy.....	2,800 Lire	Spain.....	225 Ptas
Ivory Coast.....	1,250 CFA	Tunisia.....	1,250 Dh
Jordan.....	1,250 JD	U.A.E.....	10.00 Dh
Kuwait.....	700 Fils	U.S. (Eur).....	\$1.20



More to Come / Money-Losing State Industries Targeted

Layoffs by the Millions Are Sweeping China

By Erik Eckholm
New York Times Service

HARBIN, China — The chant of the bean-curd peddler swirled through the alleys of the derelict Daowai district of Harbin, but on this frigid morning there were no takers.

The cold weather in this city known for its ice-sculpture festival was not the problem. "Business is bad," the old man said as he inched his cart between gray apartment blocks and half-idle factories. "It used to be that everybody would buy my bean curd," said the man, who gave his name as Yang and who sells small blocks of the high-protein food for 12 cents each. "Now some people can't even buy this."

"It's because so many factories are closing," he said. This is China's industrial heartland, the northeastern region where big-scale communist industry was born of exuberant idealism in the 1950s and is now flailing for life.

By the design of a government that must drastically prune thousands of bloated, money-losing state industries, workers are being laid off by the millions all over China. Nowhere are the effects more severe than in rust-belt northeastern cities like Harbin and Shenyang, where, many experts believe, the unemployment rate exceeds 20 percent.

Just down the street from where the bean-curd peddler spoke is the Harbin No. 1 Tonic Factory, which announced recently that at least 2,000 of its 10,000 employees will be laid off in February. One block in the other direction, workers eating lunch outside a giant cable factory said that it was operating at only half its capacity and that one-third of its 10,000 employees had already been laid off.

Whether China's brick economy can sweep up tens of millions of now-redundant workers in the years ahead may be the country's most explosive social challenge. Already, over the last year, scores of small-scale protests over layoffs, lost pay and other employment issues have been reported.

WITH uncharacteristic frankness, the government is loudly warning of huge layoffs yet to come. At the same time, it is working frantically to establish safety nets for dislocated workers and starting to build a national welfare system from scratch — something that was not needed in the past because government "work units" provided workers with cradle-to-grave security.

For the longer term, in the grand strategy of the economy chief, Deputy Prime Minister Zhu Rongji, China is betting that an expanding service sector, along with trade and private investment, will help employ the next generation. Because they already face such a harsh employment problem.



Many laid-off workers have found new ways to make money — like this barber in Beijing — though often by competing with rural migrants who have streamed into the cities.

China's leaders are keeping an especially fearful eye on the economic crisis now engulfing other Asian countries.

At the Daowai wholesale market here, it seems as though almost everyone — the woman selling pig intestines for use as sausage skins, has been laid off by state-owned companies in the last couple of years. They are not starving, but they have become resigned to vastly different lives than the proudly secure ones they lost.

In Shenyang, 480 kilometers (300 miles) to the south, former factory workers now stand in the streets carrying tools in their hands and signs around their necks, asking for work.

The lucky ones here still get a token salary of perhaps \$24 a month, which is barely enough to provide food. In Shenyang, a national newspaper reported in December, the average laid-off worker is receiving \$17 a month.

But many people hawking goods in the wholesale market here also said — contravening official policy — that they are receiving no money at all from their old work units. In Harbin, where a million people are listed as employed by state

companies, no data are publicly available on how many have lost their jobs so far. But only half of the several hundred state companies in the area are now able to pay their employees full wages, said Li Debin, a sociologist and labor expert at the Harbin Academy of Social Sciences.

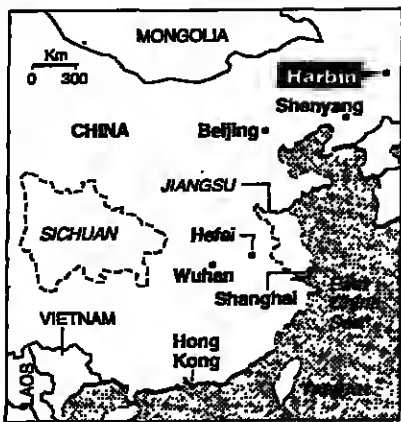
Here and around the country, he said, another third of China's 100 million state workers need to be shed if surviving companies are to pay their own way.

"Most of the state industries haven't yet laid off the workers they should, so the problem is still being hidden," Mr. Li said.

JUST in the last few weeks, the railroad system announced that it planned to drop 1.1 million workers, a third of its total, over the next three years. The debt-laden textile industry announced that it will lay off 1.2 million workers.

Official news reports balance the bad news with constant reports of successes in worker training and re-employment programs. But critics say these often amount to little more than shell games in which workers are shifted to other unproductive jobs, draining other budgets.

The extent of serious suffering is hard to gauge. Many laid-off workers have found new ways to make money — though often by competing with the rural migrants who have streamed into the cities and in jobs without the accustomed security or health and retirement benefits.



EU Diplomatic Team Meets Algeria Leaders

22-Hour Visit Over Killings Is Inconclusive

By Charles Trueheart
Washington Post Service

PARIS — European diplomats responding to public horror over continuing massacres in Algeria ended a brief, inconclusive visit Tuesday to the North African country. They met with government officials, opposition leaders and independent journalists to hear their assessments of the violence that has plagued Algeria for more than six years and left more than 75,000 civilians dead — more than a thousand since the beginning of the holy month of Ramadan.

"We have made progress," said Derek Fanchett, the British secretary of state for foreign affairs, who headed the 22-hour diplomatic visit.

The slayings continued, with reports Tuesday of more than 34 deaths in another episode of violence.

The government ascribes most of the killing to the Armed Islamic Group, comprising autonomous armies of Muslim militants dedicated to the overthrow of the government and the installation of an Islamic state in this resource-rich country of 29 million.

Mr. Fanchett cited new avenues of dialogue with the Algerian government. But he noted that one hope of the mission — securing permission for a United Nations inquiry — had been rebuffed.

"We regret this," he said. He also regretted that the diplomats had not been able to speak to survivors of massacres or to lay a wreath at the graves of victims, and urged the Algerian government to open up the country to independent journalists.

This was the highest-level foreign mission to be received by the military-backed government of President Liamine Zedrou, under a cloud for failing to stop the terror and carnage.

The former general's regime has denounced intensified international expressions of concern about the killing as unacceptable interference in Algerian internal affairs.

Algerian officials, sources said, pressed the European diplomats to track down Muslim militants operating on European soil who are allegedly contributing money and arms to the terrorists in Algeria.

Mr. Fanchett led the mission because Britain holds the rotating presidency of the European Union's executive commission. He was accompanied by his counterparts from Luxembourg and Austria, representing immediate past and future commission presidencies.

The three met Tuesday with Prime

Minister Ahmed Ouyahia and Foreign Minister Ahmed Attaf, as well as with leaders of political opposition parties, although not the Islamic Salvation Front, banned nearly six years ago after it nearly won an election to unseat the existing leadership. The election was canceled, setting off the armed struggle.

The diplomats then met with representatives of the four major independent newspapers in Algeria, which have taken the lead in reporting the atrocities committed against Algerians that the government has minimized or denied.

The European team will report to the European foreign ministers at their meeting Jan. 26.

Analysts and diplomats in Paris, London, Washington and Algiers said the visit to Algiers was a modest but necessary step in shedding light on a deteriorating situation and quelling charges of official inaction.

But a secrecy-minded, proudly nationalist regime and a news media operating under threats and constraints have further obscured an already complex situation. The lack of information has fanned misinformation and rumors about who is doing the killing and why.

Other targets of blame for the killings include rival Islamist armies, government security forces, government-armed village militias, independent warriors and gangsters.

Since Algeria gained independence 36 years ago, and until recently, France has set the tone of Western policy toward Algeria, its former colony and the birthplace of 3 million of its citizens.

But France's leverage is constrained by that legacy. Its recent mild statements of concern about the killings were harshly rebuffed by Algeria's government — a reminder that in Algeria, as one non-French diplomat put it, the French are condemned to "have everything they do misconstrued."

The spread of terrorism and the threat to Algerian social stability are felt acutely in France because of the possibility, thus far not reflected in available figures, of an increase in Algerian immigration to France.

"Whoever fails to export stability to Algeria today," said Foreign Minister Klaus Kinkel of Germany, who pushed for the European mission to Algiers, "will import instability in the form of big movements of refugees tomorrow."

Also, U.S. and European companies have invested heavily in oil and natural gas refineries in Algeria. Remote and heavily secured, thus far they have not been touched by any of the violence.

TRAVEL UPDATE

EgyptAir to Discount Arabs' Fares

CAIRO (AP) — EgyptAir will offer discount fares to Arab tourists as part of efforts to shore up the tourism industry after the massacre in Luxor in November, airline officials said Tuesday.

"There will be discounted fares for all Arab visitors, but we still don't have specific figures," an EgyptAir official said.

Operation of the Athens airport landing guidance system was suspended Friday and not restored until Monday because of interference from pirate radio stations. (AP)

The Louvre had 5.1 million visitors last year, 8.5 percent more than in 1996, and exceeded only by the record of 6.16 million in 1994 and 5.14 million in 1990, the management of the Paris museum said. (AP)

Phnom Penh is undergoing a face-lift as part of \$5 million project that also involves repair of storm drains and sewers and improvement of street lighting, city officials said. (Reuters)

Taipei Is Skeptical of Overture From Beijing

By Steven Mufson
Washington Post Service

BEIJING — China said Tuesday that it was ready to begin political talks with Taiwan without conditions, but Taiwan greeted the offer with skepticism, saying China had not given up its demand that the self-governing island submit to the "one-China" principle.

"We hope the two sides can start formal political talks as soon as possible," the Foreign Ministry spokesman for China, Shen Guofang, said Tuesday. "We believe there are no pre-conditions for these talks."

China has said before that it was ready for negotiations with Taiwan and has indicated substantial flexibility on a

variety of matters, but all within the context of bringing about the reunification of the mainland with Taiwan. Though self-governing, Taiwan is regarded by Beijing as part of China.

"One China is not a precondition because it is a fact recognized by both sides," Mr. Shen said. "Both China and Taiwan both must recognize that there is one China."

Shen Ke-sheng, vice chairman of the Taiwan cabinet's Mainland Affairs Council, said, "The so-called one-China principle itself is a precondition."

"This is something Jiang Zemin always emphasizes," Mr. Shen added. Mr. Jiang is president of China.

The Chinese statement stood in sharp contrast to Beijing's attitude toward

Taiwan just under two years ago, when it tried to intimidate the island by holding military exercises and test-firing missiles just off Taiwan's coast on the eve of the country's presidential election.

"Instead of bashing Taipei, now China wants to encourage Taipei to open a dialogue," said Andrew Yang, general secretary of the Center for Advanced Policy Studies in Taiwan.

Now it is once again an important moment in Taiwanese politics. A series of local elections could solidify the gains of Taiwan's opposition party, the Democratic Progressive Party, which has long advocated formal independence from China. The party is planning to meet by Feb. 14 to re-evaluate its China policy now that power is within its reach.

Thai Factory Workers Stage a Violent Protest

Reuters

BANGKOK — More than 3,000 workers of an auto-parts company in the eastern outskirts of Bangkok carried out a violent protest late Tuesday, blocking roads and trying to torch a factory in a dispute over bonuses, the police said.

Many of the workers blocked the Bangna-Trad road about 20 kilometers (12 miles) from Bangkok, causing huge traffic jams in the capital, the police said.

The workers began protesting at Summit Auto Parts Co. on Tuesday morning after demanding two months' bonus for the Chinese Lunar New Year, which falls on Jan. 28.

When the company cited Thailand's economic slump and rejected the demand, the workers became incensed and started protesting by blocking the road.

Thailand is weathering its worst economic crisis in decades and thousands of work-

ers have been laid off in the manufacturing sector because of slumping exports.

Television stations showed footage of many angry workers burning a motorcycle, tearing down a bank's automatic teller machine and trying to storm the factory, which was guarded by more than 300 riot policemen.

The police and company representatives were trying to negotiate with the workers.

The incident brought back images of a similar protest in 1996 when workers of Sanyo Universal Electric PLC torched the company's administrative building and warehouse in the outskirts of Bangkok.

In another incident, more than 3,000 lottery vendors who began a protest Monday continued to block a road in central Bangkok and threatened to burn down the lottery office if their demands for more lottery tickets to sell were not met.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe	Today	Low	High	Tomorrow	Low	High
Algeria	18/24	10/20	17/25	18/24	10/20	17/25
Andorra	20/26	12/22	20/26	20/26	12/22	20/26
Austria	10/16	5/11	10/16	10/16	5/11	10/16
Belgium	12/18	7/13	12/18	12/18	7/13	12/18
Bulgaria	14/20	9/14	14/20	14/20	9/14	14/20
Croatia	16/22	11/17	16/22	16/22	11/17	16/22
Czech Rep.	12/18	7/13	12/18	12/18	7/13	12/18
Denmark	14/20	9/14	14/20	14/20	9/14	14/20
Estonia	16/22	11/17	16/22	16/22	11/17	16/22
Finland	18/24	13/19	18/24	18/24	13/19	18/24
France	16/22	11/17	16/22	16/22	11/17	16/22
Germany	14/20	9/14	14/20	14/20	9/14	14/20
Greece	18/24	13/19	18/24	18/24	13/19	18/24
Hungary	16/22	11/17	16/22	16/22	11/17	16/22
Ireland	12/18	7/13	12/18	12/18	7/13	12/18
Italy	14/20	9/14	14/20	14/20	9/14	14/20
Japan	18/24	13/19	18/24	18/24	13/19	18/24
Korea	16/22	11/17	16/22	16/22	11/17	16/22
Latvia	18/24	13/19	18/24	18/24	13/19	18/24
Lithuania	16/22	11/17	16/22	16/22	11/17	16/22
Malta	18/24	13/19	18/24	18/24	13/19	18/24
Netherlands	14/20	9/14	14/20	14/20	9/14	14/20
Norway	18/24	13/19	18/24	18/24	13/19	18/24
Poland	16/22	11/17	16/22	16/22	11/17	16/22
Portugal	18/24	13/19	18/24	18/24	13/19	18/24
Romania	16/22	11/17	16/22	16/22	11/17	16/22
Russia	18/24	13/19	18/24	18/24	13/19	18/24
Slovakia	16/22	11/17	16/22	16/22	11/17	16/22
Slovenia	18/24	13/19	18/24	18/24	13/19	18/24
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Sweden	18/24	13/19	18/24	18/24	13/19	18/24
Switzerland	14/20	9/14	14/20	14/20	9/14	14/20
Taiwan	18/24	13/19	18/24	18/24	13/19	18/24
Turkey	18/24	13/19	18/24	18/24	13/19	18/24
Ukraine	18/24	13/19	18/24	18/24	13/19	18/24
United Kingdom	14/20	9/14	14/20	14/20	9/14	14/20
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Forecast for Thursday through Saturday, as provided by AccuWeather.																																																																																																																																																				
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<h3>North America</h3> <p>Dry and warm in the Northwest Thursday, but turning windy and rainy Friday Friday into Saturday. Soaking rain flows across the Appalachians Thursday and Friday as a storm heads from the west. Tapesty into Ohio, dry and seasonable in the central Plains.</p>			<h3>Europe</h3> <p>Soaking rain is in store for Greece and across western Turkey. England will be dry and mild with some unalike Thursday, then turning cooler with showers Friday and Saturday. Dry and chilly across most of central Europe. Mild in France and Germany Thursday, but turning cooler Friday.</p>			<h3>Asia</h3> <p>Beijing to Seoul will be cool Thursday and Friday with the chance for flurries, the cooler with sunshine Saturday. Cool and windy with snow across Manchuria Thursday and Friday in Tokyo Thursday, but milder with showers possible Friday. Soaking rain is in store southeastern China.</p>																																																																																																																																														
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THE AMERICAS

Ecuador and Peru on Road to Peace

Countries Sign Agreement Seeking End to Old Dispute Over Border

By Diana Jean Schemo
New York Times Service

RIO DE JANEIRO — Ecuador and Peru, which went to war three years ago over a border dispute, have signed an agreement creating a timetable that they said would lead to a peace treaty.

Four commissions are to be established to tackle the main areas of contention between the countries. One will deal with the most thorny issue: demarcation of the border. The other commissions will focus on matters including trade and navigation, security and confidence-building measures.

The accord was signed Monday in an atmosphere of friendliness that contrasted sharply with the past belligerence between the two Andean countries.

The brief war between Ecuador and Peru erupted in January 1995, around the anniversary of the Rio Protocol, a

1942 peace treaty in which Ecuador, defeated in battle, ceded half of its territory.

Though it signed the treaty, Ecuador has never accepted its terms, and the maps that its schoolchildren are given show Ecuador's borders encroaching far into Peruvian territory.

Speaking before the signing, the Brazilian foreign minister, Luiz Felipe Lampreia, pledged that a Treaty of Free Trade and Navigation, part of the 1942 pact, would finally be put into effect. It would guarantee Ecuador "unrestricted, free, continuous and perpetual" access to the Amazon Basin and the river's northern tributaries, Mr. Lampreia said.

Edgar Teran, the former Ecuadorean ambassador to Washington who is the lead negotiator for his country, said he believed that Monday's agreement, which provides for geographers and le-

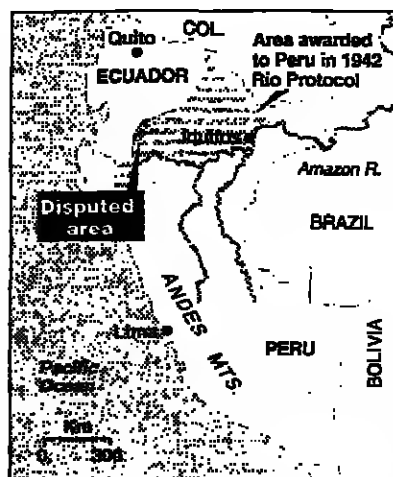
gal experts on the commissions to weigh the border claims of each side, would lead to a "final solution of the problems between Ecuador and Peru."

Once their judgments are made, Mr. Teran pledged, the border will "never more be the subject of conflict between the two countries."

Fernando de Trazegnies, the lead negotiator for Peru, said, "It is important that we enter the 21st century with a 21st-century mentality," adding that the two countries faced the "common enemies" of underdevelopment and poverty.

The Rio Protocol set the border between Ecuador and Peru and laid out a host of other elements — until now, largely ignored — to promote trade and cooperation. The Rio Protocol named Brazil, the United States, Chile and Argentina as guarantor nations.

Now the guarantors are hoping that



economic and development incentives in the border region will give the two sides a common stake in promoting trade instead of border wrangles.

While neither Mr. de Trazegnies nor Mr. Teran would say what specifically led them to expect success in negotiations now, other diplomats close to the talks said several favorable elements had converged.

On Eve of Pope's Visit, Church Faults Havana

Prelate Criticizes Limited TV Coverage

By Serge F. Kovaleski
and Molly Moore
Washington Post Service

HAVANA — The Roman Catholic primate of Cuba has criticized the government for allowing only limited coverage by state-run television of the Masses that Pope John Paul II will celebrate here this week, but he stressed that church officials were largely pleased with preparations for the pontiff's historic visit.

Government television has agreed to telecast live only one of the four Masses the Pope will conduct on his five-day visit here — a Sunday service in Havana's Revolution Square, which President Fidel Castro and other government officials are scheduled to attend. But the Communist authorities have not agreed to a telecast of the Pope's activities Saturday in Santiago de Cuba, the country's second-largest city, where John Paul II will place a crown on a statue of Cuba's patron saint, the Virgin of Charity.

"In respect to the communications media — no, it is not what we wanted," Cardinal Jaime Ortega said at a news conference Monday attended by hundreds of local and foreign journalists. But Cardinal Ortega struck a conciliatory tone toward the Pope's hosts, playing down conflicts between church and state and sidestepping such controversial issues as political prisoners and the stifling of political dissent.

"In terms of obstacles that put the Pope's visit in danger, there haven't been any," the cardinal said. "In terms of the interest of the government, we're also satisfied."

According to several dissidents here, some local opponents of the government, particularly in the Santa Clara area east of Havana, have been visited by

state security agents and warned to stay away from the Masses. At the same time, large numbers of hard-line government supporters are expected to form a human corollon along the Pope's motorcade routes in Havana and the provinces.

The state is providing hundreds of buses and other vehicles to transport people to the sites of the Pope's appearances and will provide doctors and nurses to accompany the motorcade, along with Red Cross workers.

Cardinal Ortega, the archbishop of Havana, asserted repeatedly that Pope's trip would be ecumenical, not political, and was part of an effort to increase the numbers of Roman Catholics in Cuba. He said he expected the trip to have a "profound effect on the church" that would be "irreversible."

According to organizers of the trip, the Pope will be given a red-carpet welcome by Mr. Castro when he arrives in Havana on Wednesday afternoon. Two children will bear a tray on which will be some Cuban earth, which the Pope will kiss and bless. The pontiff will then briefly address the crowd, as will Mr. Castro.

Communist Party sources in the provinces where the Pope is scheduled to conduct Masses say the government is mobilizing party supporters and the general population to turn out for the visits, much as it does for major political events — such as the annual celebration of the Cuban revolution on July 26 and international Workers Day marches on May 1.

The government announced Monday that people would be allowed to take time "from their jobs and schools" and that government offices would be closed while the Pope's motorcade passes through Havana and other cities and during the four Masses.

Dissidents have been warned to stay away from the Pope's Masses.

Hillary Clinton Shrugs Off Jones Harassment Scandal

By James Bennet
New York Times Service

WASHINGTON — Hillary Rodham Clinton says that she and President Bill Clinton had "not really" been affected by publicity surrounding Paula Corbin Jones's sexual misconduct accusations, and she suggested that the case was driven by politics.

Responding to an interviewer's question that recalled Mr. Clinton's com-

ment last week that he put the case "in a little box," Mrs. Clinton said, "We do box it off. You have to box it off because there's no way that you can let people with their own agendas, whatever they might be, interfere with your life, your private life, or your duties. And that's what my husband does every day."

Mr. Clinton would not respond to questions about the case Monday, citing an order issued by Judge Susan Webber Wright of the U.S. District Court to limit discussion of the case.

"You know, the judge asked us not to talk about it, and I think at least somebody involved in it ought to follow her instructions," Mr. Clinton said.

Asked if she thought that the people supporting Mrs. Jones's legal efforts had "an agenda," Mrs. Clinton said that she would not comment on the case.

But she added, "I think that, certainly, when you see the kind of political maneuvering that goes on against my husband on a daily basis, there certainly are a lot of agendas out there."

Mrs. Clinton made those comments, in a relaxed but serious tone, during an 18-minute radio interview at the White House with Mutual-NBC Radio, which provided a partial transcript.

Saturday, with Mrs. Jones in the room, Mr. Clinton was deposed for six hours by her lawyers. Mrs. Jones accuses Mr. Clinton, when he was governor of Arkansas, of exposing himself in a hotel room and requesting oral sex.

In another radio interview, with CBS News Radio, Mrs. Clinton said that Saturday "wasn't difficult."

"It was a busy day for me," she said. "I had a lot of work that had piled up, and I had been fighting a cold for about a week, so I just kind of hunkered down and went through a lot of my household tasks."

When Mr. Clinton returned home, she said, they "watched a movie and then had a good time" that evening.

Sunday, a visit by the Clintons to church "built us up again," Mrs. Clinton told Mutual-NBC.

They returned home and cleaned closets, she said, calling it "a way in which we try to keep our lives as normal as possible despite what's going on around us."

Mrs. Clinton said that she and the president were resilient because of their upbringings, religious faith and "love and support for each other."



ICE DUTY — Soldiers removing high-tension electrical wire near Sainte Julie, two weeks after an ice storm savaged Quebec.

Away From Politics

• Bowing to public pressure, a West Virginia county rescinded what opponents had called one of the nation's toughest smoking bans. The Monongalia County Board of Health voted, 3 to 1, to revoke a regulation that would have prohibited smoking in bars and other areas.

• A 19-year-old university student was arrested and booked on suspicion of murder and attempted murder after a man was shot and killed and three children were wounded in an attack during a march in Baton Rouge, Louisiana, to honor the Reverend Martin Luther King Jr.

The police said that the suspect and the man who was killed had been involved in a dispute and that there was no racial motive.

• The countdown began at the Kennedy Space Center in Florida for the launching of the space shuttle Endeavour. The shuttle is scheduled to blast off at 9:28 P.M. on Thursday, and rendezvous with the Russian station Mir for replacement of the American in the Mir crew.

• Jury selection began in Minneapolis on a suit by the state of Minnesota and the health insurer Blue Cross and Blue Shield, which are seeking \$1.75 billion from the tobacco industry. There were no signs of an out-of-court settlement would be reached.

U.S. Targets Doctors Who Defaulted

The Associated Press

WASHINGTON — More than 1,400 doctors and other health-care workers who defaulted on student loans will no longer be reimbursed for treating Medicare and Medicaid patients.

"They must pay up or lose out," Donna Shalala, the secretary of health and human services, said Tuesday.

The names of the 1,402 defaulters were posted on the Internet on Tuesday and will be published in the Federal Register. They include physicians, dentists, podiatrists, psychologists and health-care administrators, the majority of whom work in California, Florida, Georgia, New York, Pennsylvania or Texas. The largest group of practitioners on the list is chiropractors.

The defaulters owe more than \$107 million, or an average of \$76,000 each. After collection attempts failed, the government, which guaranteed the loans, had to repay the banks and other financial institutions that had lent the money, said Dr. Claude Earl Fox, acting administrator of the Health Resources and Services Administration, which oversees the loan program.

Dr. Fox said each of the defaulters had been contacted repeatedly for at least three years and had been reported to credit bureaus and the Internal Revenue Service, which can withhold income-tax refunds.

POLITICAL NOTES

Ford Warns His Party Over Abortion Focus

RANCHO MIRAGE, California — Former President Gerald Ford has decried what he views as Republicans' preoccupation with abortion and warned that an "ultraconservative" faction could threaten the party's drive to regain the White House in 2000.

"If we get way over on the hard right of the political spectrum," Mr. Ford said, "we will not elect a Republican president."

Mr. Ford, 84, said he was proud that he and his wife, Betty, were "strongly pro-choice." Abortion, he said, is "an issue that creates significant turmoil in the party and ought not to be a partisan political issue."

"But how do you extract it from the arena? I can't tell you. You've got zealots who are determined." (NFT)

Mr. Clinton says the new beneficiaries would pay the entire cost, so that there would be no need for federal subsidies, no risk to the Medicare trust fund and no cost to current beneficiaries.

But Robert Myers, who was chief actuary of the Social Security Administration for 23 years; William Blum, vice president of the American Academy of Actuaries; and Julia Phillips, a health actuary for the Minnesota insurance commissioner, said they doubted that the plan would pay for itself at the premium rates proposed. (NFT)

Actuaries Question Medicare Proposal

WASHINGTON — Insurance experts say they doubt that President Bill Clinton's proposal to open Medicare to people 55 to 64 years old would pay for itself, because, they say, sicker and costlier patients would be the ones most likely to sign up for the new coverage.

Quote/Unquote

Hillary Rodham Clinton, on the surreptitious photographs taken of the Clintons during their New Year's vacation in the Virgin Islands and the speculation that some — showing them dancing on the beach — had been staged: "Well, I have one question for anyone who would say that: Name me any 50-year-old woman who would knowingly pose in her bathing suit, especially with her back pointed toward the camera."

Mrs. Clinton also warned that "bawling cameras around all the time and slinking through bushes" to capture private moments chilled public life, saying: "The public person becomes more and more on guard, less real, more hollowed out. And you don't see the person that you originally saw because there's a bigger barrier." (NFT)

Carl Perkins Dies, Rockabilly Pioneer

By Jon Pareles
New York Times Service

NEW YORK — Carl Perkins, the pioneering rockabilly singer, songwriter and guitarist who wrote "Blue Suede Shoes," died Monday after a series of strokes, in Jackson, Tennessee, where he lived. He was 65 years old.

Mr. Perkins was part of the Sun Records roster that fused blues, country, rhythm and blues, gospel and teenage attitudes into rockabilly, a cornerstone of rock and roll.

Working in Memphis alongside Elvis Presley, Jerry Lee Lewis and Johnny Cash, Mr. Perkins made music that was never far removed from his roots in the rural South. His guitar playing was enormously influential, particularly on George Harrison and the Beatles.

He was born in Tiptonville, Tennessee, the son of a sharecropper. At age 6, he began working in the fields. An older field hand taught him blues guitar, and he taught his older brother, James Buck (Jay) Perkins, to accompany him on rhythm guitar. They both dropped out of school to help support the family. A younger brother, Lloyd Clayton Perkins, joined the group on bass.

At 14, Carl started writing songs, and the brothers began performing at honky-tonks. As he honed his music, he also took up drinking.

Mr. Perkins wangled an au-

dition with Sam Phillips, the owner of Sun Records, Elvis Presley's label. His first single, the up-tempo "Movie Magg," and the country ballad "Turn Around," was released in 1955. "Turn Around" became a regional hit.

He toured as Mr. Presley's opening act and had a second regional hit with "Gone, Gone, Gone." Johnny Cash suggested one day that Mr. Perkins write a song about a new item in the teenage wardrobe: blue suede shoes. He wrote the lyrics on a paper bar, and on Dec. 19, 1955, recorded it in two takes. It reached No. 2 on the Billboard Hot 100 singles chart, just under Mr. Presley's "Heartbreak Hotel."

Touring England with Chuck Berry for the first time in 1964, Mr. Perkins found a new audience. His fans included the Beatles, who invited him to Abbey Road Studios, where they sang his songs. They later released "Matchbox" and, from other sessions, "Honey Don't" and "Everybody's Trying to Be My Baby."

Back in the United States, he toured the country circuit and spent almost a decade as Johnny Cash's opening act. In 1968, after one of his worst drinking binges, he decided to sober up. He started a new band with his sons. He also sued Sun Records, receiving some back royalties and regaining control of his publishing rights.



Carl Perkins in 1992.

Peter Diamand, 84, Music Administrator PARIS (IHT) — Peter Diamand, 84, former director of the Holland and Edinburgh music festivals and artistic adviser to the Orchestre de Paris since 1976, died Friday in Doetinchem, the Netherlands.

Mr. Diamand was born in Berlin, but fled with his family to the Netherlands in 1933. From 1934 to 1939 he was private secretary to the pianist Artur Schnabel.

He was a co-founder of the Holland Festival immediately after World War II, and its general manager from 1948 to 1965, when he became director of the Edinburgh Festival, a post he held until 1978. Mr. Diamand also was general director of the Royal Philharmonic Orchestra in London from 1978 to 1981.

Zevulun Hammer, 62, the Israeli education minister and a founder of the Jewish settlement movement in the West Bank and Gaza Strip, died Tuesday of cancer. For a decade he had led the National Religious Party, a hard-line partner in the ruling coalition.

Mexico Court Upholds Release of 5 Suspects

New York Times Service

MEXICO CITY — An appeals tribunal has admonished a judge who described a murder defendant as a "modern Robin Hood," but upheld her decision to free the man and four fellow suspects, who prosecutors say admitted killing a U.S. executive.

The ruling on Jan. 1 by Judge Maria Claudia Campanazo in Mexico City prompted expressions of outrage from the U.S. Embassy as well as from the capital's new district attorney.

The case grew into a confrontation between prosecutors, under pressure to impose order during a wave of violent crime, and judges who say they must release defendants whose rights are violated.

The appellate magistrates declined to explain their reasoning in detail. But Magistrate Salvador Avalos Sandoval said Monday, "There were several discrepancies in the accused men's confessions."

The judge had argued that the contradictions suggested that the men were scapegoats who had been beaten by the police to make them confess.

The victim of the slaying was Peter Zarate, a broker with a New York real estate firm who was working in Mexico City. On Dec. 15, he was seized by five men, driven to several cash machines in a fruitless attempt to withdraw his savings, and shot to death.

Although the magistrates' decision vindicated the judge's ruling, it was accompanied by an unusual admonition to her to draft future rulings with more discretion.

"We have urged Maria Claudia Campanazo to abstain in the future from using extralegal symbolism or metaphors that may be ambiguous and lead to confused interpretations," said Magistrate Mauricio Dominguez Cruz.

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EUROPE

In Germany, a Formal Burial for Anti-NATO Past

By John Vinocur
International Herald Tribune

BERLIN — Here was a small event meant to serve as a milestone. The Social Democratic Party of Germany brought together the secretary-general of NATO, a former chancellor, its Bundestag floor leader, its parliamentary foreign policy spokesman and the U.S. ambassador this week to discuss the following theme at a public symposium: "What are we doing for our relationship with America?"

As if the point were not quite clear enough, the question had this subtext: "The Euro-Atlantic relationship, pillar of our foreign policy."

Less than eight months from national elections, the Social Democrats believe they can win, the intent could not be clearer. The party took aim at a domestic audience and tried to say again, with a few nuances, that it has undergone a conversion, definitively endorsing the mainstream of Atlantic alliance viewpoints.

Rudolf Scharping, the Bundestag leader, said that the party had abandoned the "kicking and shouting" of what he acknowledged to be its "unrealistic" foreign policy positions of the previous decades.

Although Mr. Scharping did not enumerate them, he was clearly referring to the party's resistance to stationing cruise

Social Democrats Go Public on Conversion

and Pershing missiles, its legitimizing embrace of Soviet and East German initiatives, refusal to commit German troops to peacekeeping operations, opposition to the Allied position in the Gulf War, and an obvious eagerness to find the United States at fault for virtually everything virtually everywhere.

As if they were character witnesses accompanying him, Mr. Scharping was flanked by Javier Solana, secretary-general of the North Atlantic Treaty Organization, and Helmut Schmidt, the last Social Democratic chancellor. Mr. Schmidt's 1992 downfall was precipitated by the refusal of the leftist mainstream of the party to give strong backing to its Atlanticist wing's support for deploying the missiles.

Why had the party chosen now to hold the symposium with its determinedly pro-American premise, Mr. Schmidt was asked. "They do it because it's necessary," he said, adding: "It should have happened 30 years ago."

In fact, there were considerable shades of meaning in the conference's undertaking. The meeting's sponsor was the Social Democrats' Bundestag delegation, as opposed to the national party organization. Karsten Voigt, the party's

parliamentary foreign policy leader, and a man instrumental in changing the party's viewpoint, acknowledged that the process was still a fluid one.

"It's formally the party line," he said, "but whether it's also the party's mood — that takes time."

The nub of the matter appears to have been fully accepted by Gerhard Schroeder, the Lower Saxony premier, who opinion polls say would beat Chancellor Helmut Kohl in the September election. Mr. Schroeder, once a fervent opponent of the missile deployment and the Gulf War, now has said that he supports U.S. policy toward Iraq and that nothing would change in the quality of Germany's present relationship with the United States, or in 95 percent of the country's current foreign policy, if he were chancellor.

The situation would be rather less clear were Oskar Lafontaine, chairman of the Social Democrats, to win the nomination. He has not made the same kind of public commitment, and his long career has been played out at a conscious distance from NATO and American policy.

To the extent that he could, Mr. Voigt tried to clear up one question relating to the depth of the party's commitments on

foreign policy by insisting that it would offer no compromises or tacit understandings on security matters to the Greens or the far-left Party of Democratic Socialism in order to form a governing coalition.

"There cannot be any lack of clarity," he said. "Clarity must dominate; we won't huckle on that issue. We cannot sustain the confidence of Europe or our allies without it."

Rather than specific answers to its thematic question, the symposium offered a general response that Germany and Europe could do the most for their relationship with the United States through a willingness to assume new responsibilities, although Mr. Scharping took the opportunity to point to an American tendency towards unilateralism.

What the United States must understand, Mr. Schmidt said, was that Germany's dominating interest would be in the construction of the European Union and that Americans must respect this "historic and geostrategic necessity."

America and Europe together, he went on, could bring order to the global monetary situation, although Europe would accept neither the existence of the working poor nor using shareholder value as a justification for all economic activity.

"We owe the Americans great thanks," Mr. Schmidt said. "We



Oskar Lafontaine, right, the leader of the Social Democratic Party, and Gerhard Schroeder, the party's popular premier of Lower Saxony.

shouldn't forget it. The Americans shouldn't forget how unique the European Union is — it needs American help," Mr. Schmidt said. "The Americans should be proud," he added of the EU. "It's a result, to a degree, of farsighted U.S. policy."

John Kornblum, the U.S. ambassador, praised the conference as an attempt by the party "to define itself."

NATO Is on Alert For Serb Defiance

Moderate's Victory Raises Tension

By R. Jeffrey Smith
Washington Post Service

PALE, Bosnia-Herzegovina — NATO troops have beefed up surveillance and patrols here and in the Serbian-dominated city of Bijeljina as a deterrent to the possible destruction of government documents or other defiant actions by hard-line Bosnian Serbs opposing the moderate who was elected Sunday as the leader of their Parliament.

Armored vehicles manned by Italian soldiers were parked outside the Finance Ministry and the Interior Ministry in Pale, which are controlled by hard-liners loyal to the Bosnian Serbs' wartime leader, Radovan Karadzic. The troops had orders to watch for suspicious activities, but found nothing alarming, a spokesman for the North Atlantic Treaty Organization said Monday.

Extra U.S. troops were also deployed in Bijeljina, where Milorad Dodik was elected Sunday as head of the Parliament in the Bosnian Serb Republic, formally ending years of control by hard-liners who oppose implementation of the 1995 peace accord for Bosnia. They encountered nothing unusual.

UN officials appealed for calm and said they hoped that the Serb Republic's capital could be transferred smoothly from Pale to Banja Luka, a stronghold of the Serbs' moderate, Western-backed president, Biljana Plavsic, as Mr. Dodik ordered. But privately, they said that some trouble was likely to erupt as Mr. Dodik attempts to consolidate his power and take control of police forces in the western portion of the republic, where

Mr. Plavsic has her power base, and the eastern portion, controlled by Mr. Karadzic.

"They will not let this go without a fight," a UN official said Monday. The acting head of Mr. Karadzic's party, Al-exa Buha, said Sunday that the membership would not respect any decisions by the new Parliament, but he gave no indication what other steps they might take.

Carlos Westendorp, the top foreign official in Bosnia, called on the Serbian hard-liners to end their walkout from Parliament, which began after they read speeches denouncing Mr. Dodik as a tool of the West who had betrayed the Serbs. Mr. Westendorp also hailed Sunday's election for bringing to power "a government that promises at last to work for lasting peace and prosperity."

In a speech to Parliament over the weekend, Mr. Dodik blamed the republic's mounting economic woes on "needless spite, nonsense and egoism" by the previous rulers and pledged strict implementation of the Dayton peace accord. He also promised to accelerate privatization of the economy.

Mr. Dodik also pledged to end censorship and to separate the government from the Serbian Orthodox Church, long a bastion of support for Serbian hard-liners.

"This could be the most important step he takes," a U.S. diplomat said. But other officials noted that he was elected to his new post by a razor-thin majority and may encounter resistance to these ideas in Parliament or have trouble ensuring their implementation in the eastern region.



Prime Minister Lionel Jospin addressing the National Assembly on Tuesday.

Jospin Hopes to Calm Jobless

Compiled by Our Staff From Despatches

PARIS — Prime Minister Lionel Jospin will appear on television Wednesday to try to calm down a campaign by the jobless for higher benefits and to promote his drive to cut the workweek to 35 hours, his party said Tuesday.

The head of the Socialists in the National Assembly, Jean-Marie Ayrault, said Mr. Jospin would speak during the regular news program at 8 P.M. on the private channel TF1.

Mr. Ayrault said he did not

think Mr. Jospin would make a gesture to meet demands by the jobless for a raise in minimum unemployment benefits.

Claude Estier, the Socialist leader in the Senate, said that raising minimum benefits by 1,500 francs (\$250), as demanded by the jobless activists, would cost 60 million francs. "Where would we find the cash?" he asked.

Even if benefits were to be raised by just 3 to 4 billion francs, as reported by one

newspaper Tuesday, there would be no guarantee that jobless activists who have been demonstrating since mid-December would call their protests.

With unemployment at a near-record 12.4 percent of the working population, Mr. Jospin says that bringing down the jobless rate is the top priority of his government. He also says that cutting the workweek to 35 hours from 39 hours will help create jobs.

(AFP, Reuters)

Jospin Admits 'A Mistake' On Remarks

PARIS — Prime Minister Lionel Jospin apologized to the French National Assembly on Tuesday for accusing rightists of taking the wrong side in the century-old Dreyfus affair and favoring slavery 150 years ago.

"My mistake was to have lumped together the past and the present," the Socialist leader said. "This was not my intention, and I am sorry."

The accusations, made a week ago during question time in the assembly, caused pandemonium and led to a mass walkout by conservative members.

"In politics, one must admit a mistake if one has some intellectual rigor and a sense of democratic debate," Mr. Jospin told the assembly at question time.

"This is what I have done, and what I am doing," he said.

Clinton Seeks Ban on the Export of Land Mines

GENEVA — President Bill Clinton urged the Conference on Disarmament in Geneva on Tuesday to negotiate a worldwide ban on the export of land mines.

In a speech read by the U.S. ambassador-designate to the forum, Robert Grey, Mr. Clinton also proposed negotiations to halt production of plutonium and highly enriched uranium, the fissile material for nuclear bombs.

Mr. Clinton's remarks came in the wake of criticism of the United States for refusing to sign the Ottawa Treaty banning anti-personnel land mines last month. The president says that the United States shares the treaty's goals, but needs to keep its 1 million land mines buried in South Korea as a guard against invasion from the North.

China and Russia also declined to join the more than 120 countries that approved

the treaty. The weapons are blamed for killing 25,000 people a year.

The 61-member Conference on Disarmament, sponsored by the United Nations, opened its 1998 session Tuesday amid calls for negotiations on both land mines and bomb material after a year of impasse. The impasse stems from a demand by the nonaligned nations to start talks aimed at the elimination of nuclear weapons, a move

that has been resisted by the nuclear powers.

In his statement, Mr. Clinton said: "I pledge the full support of the United States delegation in taking the next steps in the nuclear disarmament process and banning anti-personnel land mines from the face of the earth."

"No issues are more important today to this body's work than a cutoff of fissile material production for nuclear explosives and a world-

wide ban on the export of anti-personnel land mines."

Mr. Clinton added: "If the conference can promptly conclude these accords, completing deep bilateral reductions in nuclear arms and the Ottawa Convention, we will take important steps on the road to a world that is free of nuclear weapons and safe for children to tread."

Mr. Grey, who was named envoy to the forum by Mr. Clinton in October, returns to

Washington next week for Senate confirmation hearings.

The UN secretary-general, Kofi Annan, in a message to the talks, called for negotiations to translate the Ottawa Convention into a global ban.

"It is now for your conference, comprising all relevant states, to play its role in achieving the desired goal of ensuring universal adherence to a total ban on land mines," Mr. Annan said.

BRIEFLY

Berlusconi Aide Is Protected

ROME — Legislators voted Tuesday not to allow the arrest of a parliamentary deputy who is a top aide of Silvio Berlusconi, the former prime minister. Italian news agencies reported.

Prosecutors in Milan suspect Cesare Previti, the deputy, of corrupting judges in Rome with a slush fund allegedly set up by Mr. Berlusconi. Five months ago, they asked for Mr. Previti's arrest because they asserted there was a danger he could tamper with evidence.

But the chamber's justice commission this month recommended voting against lifting immunity of the deputy, who represents Mr. Berlusconi's Forza Italia conservative party. The vote Tuesday was 341 against lifting immunity, 248 in favor and 21 abstentions. (AP)

Turkish Islamists Make Offer

ANKARA — Turkey's Islamists have offered to ease their opposition to Prime Minister Mesut Yilmaz's coalition in an effort to water down a court ban on the Welfare Party, government members of Parliament said Tuesday.

"They said they would change the tactics they have used until now. That is, they won't block Parliament and present motion after motion to impede the passage of laws," said Ugur Aksöz, a senior member of Mr. Yilmaz's Motherland Party.

A court banned the Welfare Party on Friday on charges that it threatened the secularist constitution. (Reuters)

4 From U.S. Jailed as Neo-Nazis

STOCKHOLM — A Swedish court has sentenced four Americans to a month in jail for making Nazi salutes during a rock concert near Stockholm this month, a court official said Tuesday.

He said that Eric Dobbs, Andrew Mikovic, Danielle Reda and Lee Sugg were among a group of 20 foreigners and almost 300 Swedes who were arrested for shouting racist and neo-Nazi slogans during the concert on Jan. 4. The other foreigners were released. (Reuters)

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Cohen Finds Progress in China Ties

'Modest but Steady,' Secretary Says, Warning on High Expectations

Compiled by Our Staff From Dispatches

BEIJING — Winding up a visit to China, the U.S. defense secretary, William Cohen, cautioned Tuesday against overblown expectations of a much warmer military relationship between the two countries and said his visit had achieved "modest but steady" progress.

"Too often we have tried to accelerate our relations and we've had a spike in expectations and then a deep level of disappointment when they don't bear out," Mr. Cohen said.

On the final day of his three-day visit, Mr. Cohen said he had received confirmation from President Jiang Zemin that Beijing had stopped all transfers of anti-ship cruise missiles to Iran and would not help Tehran upgrade the missiles it now has.

The pledge was one of several steps forward, including a tour by Mr. Cohen of a formerly secret air defense base in Beijing and the signing of a naval pact aimed at avoiding clashes between U.S. and Chinese warships.

"Differences remain over Taiwan, human rights and other issues, but we have a framework that allows" both countries' armed forces "to work together productively when we can and to disagree peacefully when we cannot," he said.

At a news conference, the secretary also said that he had built trust with Defense Minister Chi Haotian and that the two had agreed to gradually "deepen, broaden and advance our military contacts."

Such contacts began in the 1980s but were stopped after the Chinese Army's bloody crackdown on protesters in Beijing in 1989.

Ties were also strained in March 1996 when U.S. aircraft carrier groups steamed toward Taiwan as the Chinese military conducted exercises that were designed to intimidate voters on the island.

Mr. Cohen's visit to China was part of a swing through Asia and continued later Tuesday with a visit to Japan.

He hailed his tour of the Air Defense Command Center in Beijing on Monday as a sign that China was ready to be more open and share more information.

He said that the United States and China would continue to exchange visits of military leaders, encourage port visits by their navies and discuss how their armed forces could conduct joint humanitarian operations.

On a key security dispute — Chinese transfers of cruise missiles to Iran — Mr. Cohen said Beijing had halted the sales.

"That was very significant from my point of view," Mr. Cohen said of what

he termed assurances given by Mr. Jiang during a 65-minute meeting.

"It was the very clear message that no sales will go forward, no transfers — period — to Iran," the American said.

"That would include those missiles that have been contracted for before."

Later, his aides said Mr. Jiang did not explicitly state his government's policy on the missile sales to Iran.

The aides said Mr. Cohen had told Mr. Jiang that Defense Minister Chi told him on Monday that China would stop all exports of cruise missiles to Iran. Mr. Jiang did not disagree, and Mr. Cohen interpreted that as confirmation of Mr. Chi's statement, the aides said.

Washington believes Iran has obtained from 100 to 200 of the missiles over the last four to seven years and fears that they could be used against U.S. warships or other shipping in the Gulf.

Mr. Chi also raised Beijing's objection to U.S. arms sales to Taiwan, which China regards as a rebel province.

Mr. Cohen said he had reaffirmed the

U.S. commitment to accords recognizing Taiwan as a part of China, but told his Chinese counterpart that "arms sales that go to Taiwan are purely defensive in nature and they will remain so."

China was studying Mr. Cohen's proposal for exchanges between the U.S. Strategic Command and China's Second Artillery, the military units that control the countries' nuclear arsenals, to reduce the chance of accidents, the secretary said.

After he arrived in Tokyo, Mr. Cohen met with Prime Minister Ryutaro Hashimoto at his official residence. He also held talks with Japan's defense and foreign ministers.

The U.S. Embassy said the two sides agreed to enhance recently revised guidelines on military cooperation between the United States and Japan.

They also agreed on the need to curtail the U.S. military presence in Okinawa.

Cohen aides said the secretary gave Mr. Hashimoto a summary of his dis-



Prime Minister Ryutaro Hashimoto of Japan, right, holding talks in Tokyo on Tuesday with William Cohen, the U.S. secretary of defense.

cussions in Beijing and a review of his weeklong tour of Southeast Asia, where the region's economic crisis was a dominant topic. The trip will end in South Korea.

On Wednesday, Mr. Cohen is to deliver a sendoff speech to sailors aboard the aircraft carrier Independence, which is scheduled to sail for the Gulf this week. (Reuters, AP)

SUHARTO: Presumed Running Mate Is Statist Whose Views Are Anathema to the IMF

Continued from Page 1

is a venture to create an Indonesian aerospace industry by building passenger planes.

His penchant for industrial policy has exasperated free-market economists at such institutions as the International Monetary Fund and the World Bank, which has criticized Jakarta for pouring resources into ambitious industrial projects instead of such goals as education.

Only last week, the IMF demanded — and won — Mr. Suharto's reluctant agreement to terminate government subsidies for Mr. Habibie's airplane project as part of a package of economic reforms. The fund is leading a \$4.3 billion international bailout of Indonesia.

Accordingly, foreign analysts and diplomats were thunderstruck at the idea that Mr. Suharto, right after seeking the IMF's blessing, would take a step that appears to amount to a thumb in the eye of the fund and the financial markets.

"I don't know what planet he's on," said Eugene Galbraith, group head of research in Hong Kong at ABN-AMRO Hoare Govett Asia, who spent many years in Indonesia. "If the IMF is good at anything — and I'm not convinced it is — it would be getting countries to scale back on government involvement in the economy. And yet the person he seems poised to choose to run the country is the most statist person in the government. If true, we're set for a real disaster."

Although the Jakarta stock market's benchmark index rose 2 percent Monday, the rupiah continued to hover around its record low against the dollar. The currency's plunge has left many Indonesian companies unable to pay their foreign debts because they must now marshal much more rupiah to make principal or interest payments in other currencies.

The dollar rose to 10,150 rupiah Tuesday, against 9,600 in Jakarta on Monday and its finish last week at 8,450.

Western diplomats here cautioned against drawing any firm conclusions about Mr. Suharto's preference for a successor.

"We will know when he tells us," the diplomat said. "It's literally that simple, and until then, it's all speculation."

The diplomat recounted how several years ago, Mr. Suharto told his cabinet that he wanted to help them make a difficult decision, so he invited them to his house for a traditional Javanese puppet performance. Afterward, he turned to the ministers and said he hoped his message had become clear — leaving the befuddled ministers to sort out what he wanted.

"I'm just saying he's very difficult to read sometimes," the diplomat said.

But, he conceded, "all this has certainly moved Habibie's stock up," and an Indonesian political scientist said Mr. Suharto had telegraphed his support for Mr. Habibie fairly clearly.

Mr. Habibie has an engineering de-

gree and enjoys deriding economists as lacking understanding of how the world works. Last year, he put forward what he called a "zigzag" theory of economics in which he argued that high interest rates would generate inflation.

That argument runs counter to conventional economic theory, which holds that monetary authorities should drive interest rates higher as a remedy for containing inflationary pressures building in the economy.

Security Increased in Jakarta

Indonesia will increase security in Jakarta ahead of the Muslim Eid ul-Fitr festival and enforce tough measures to prevent public celebrations of the Chinese New Year, Reuters reported.

"We are ready to boost security, and we are ready to deal with disturbances such as riots," a military spokesman for the capital, Lieutenant Colonel Nachrowi, said Tuesday.

"We are ready to secure the capital during the Chinese New Year and Eid ul-Fitr," Colonel Nachrowi said.

The plans follow a series of attacks on shops in East Java last week after price increases resulting from the country's economic crisis and after small anti-government protests in Jakarta.

Military officials have said they will not tolerate any disruption of stability during the economic difficulties and ahead of the presidential election in March.

Police officials said 14,000 police-

men and soldiers would be deployed to safeguard the mass exodus of Jakarta residents before Eid ul-Fitr and to ensure security during the Eid and Chinese New Year.

Millions of people return to their home villages across the vast archipelago to celebrate the Eid festival, which marks the end of the fasting month of Ramadan in mainly Muslim Indonesia. Travelers jam bus and train stations in the capital at least one week before the celebrations.

The Chinese New Year starts Jan. 28, while Eid ul-Fitr begins the next day.

Colonel Nachrowi said the military had been informed that officials of Jakarta's Public Order Office would crack down on anyone violating a ban on public celebrations of Chinese New Year in the city following recent disturbances.

The Chinese minority in Indonesia is deeply resented for its dominance of private business, and political analysts have said that ethnic Chinese could be targeted as the country's debilitating economic problems take hold.

In East Java, some store owners have pasted signs on their doors that say "Muslims," apparently in an attempt to distinguish their premises from those owned by Chinese.

A presidential decree issued in 1967 ruled Chinese New Year to not be a Buddhist holiday, barring celebrations at Buddhist temples. Most Indonesian-Chinese are Buddhist.

BRIEFLY

Cambodians Shoot At U.S. Embassy Car

PHNOM PENH — Military police fired two shots Tuesday into a U.S. Embassy vehicle while trying to arrest a suspect in Phnom Penh, wounding a man from Massachusetts who was in the car.

Military police on motorcycles and in a truck wounded a 31-year-old Cambodian-American, Van Mony, when they fired at the U.S. Embassy car, the security chief of the military police said.

Another Cambodian-American in the car, Sun Chandara, 30, also from Massachusetts, and the driver, a U.S. Embassy employee, were not hurt, the police said.

Police officers had gone to a hotel to arrest Mr. Sun Chandara for fraud when he and Mr. Van Mony eluded them and jumped into the embassy car that was waiting for them.

The driver refused to stop and the police gave chase, the security chief said. (Reuters)

Sonia Gandhi Tries Her Hindi

NEW DELHI — Eager to establish that she is part of India, the Italian-born widow of the former Prime Minister Rajiv Gandhi addressed voters Tuesday in Hindi — India's national language — as she campaigned for the Congress (I) Party.

"I consider myself to be a daughter of India and have come here in that capacity," news agencies quoted Sonia Gandhi as telling a cheering crowd in the central state of Madhya Pradesh. (AP)

For the Record

China, criticized for its human rights record, has asked Mary Robinson, the top UN official in the field, to visit. (AP)

Leaders of the parties to the secessionist conflict on Papua New Guinea's Bougainville island held their first day of peace talks in New Zealand. (Reuters)

President Fidel Ramos ordered security tightened around all Philippine government offices and oil facilities as the military freed the chief of the Communist rebels suspected of attacking two oil offices. (Reuters)

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Personals

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MAY THE SACRED HEART OF JESUS be adored, glorified, loved, and preserved throughout the world, now and forever. Sacred Heart of Jesus, pay for us. St. Jude, Worker of miracles, pay for us. St. Jude, Helper of the hopeless, pay for us. Say this prayer one street a day and by the ninth day your prayer will be answered. It has never been known to fail. Publication must be permitted. MDS

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INTERNATIONAL

In a Change of Tone, Khatami Denounces U.S. 'Oppression' of Iranians

By Elaine Sciolino
New York Times Service

TEHRAN — In surprisingly harsh tones, President Mohammed Khatami of Iran has criticized the United States for, he charged, oppressing the people of Iran, and vowed that they would never be enslaved again.

Mr. Khatami's attack on the United States came in the middle of a televised hour-long sermon delivered to thousands gathered at the tomb of Ayatollah Ruhollah Khomeini, the founder of Iran's revolution, who died in 1989.

The crowds were gathered in a poor neighborhood in southern Tehran to pray through the night on the eve of one of the holiest days of Shiite Islam: the day marking the death of Ali, the son-in-law of the prophet Mohammed.

It was not the time to be nice to America. "We are not at war with the world," Mr. Khatami said. "But we will not give up our revolutionary principles. This glory was not gained easily, so it will not be given up easily. We have had enemies both before and after the revolution, the ones who damaged our freedom, independence, interests and glory. And most of this damage came from America's oppressive policies."

The crowd interrupted him by chanting "Death to America" several times.

Mr. Khatami's remarks were sharply different in tone from his recent public statements. At a news conference in December, he expressed respect for the American people and called the U.S. government its legitimate representative. And in an interview this month with CNN, he called for

a dialogue with the American people through cultural exchanges, although he said there was no need for political ones.

In that interview, Mr. Khatami also tried to explain the Iranian ritual cry of "Death to America" as a criticism not of the American people but of misguided policymakers.

In both the news conference and the interview, Mr. Khatami was reaching out in an American audience, and perhaps trying to elicit a positive gesture from Washington as well. But no gesture came.

Instead, Mr. Khatami, a cleric, has come under fire by a number of Iranian commentators who have mounted a campaign against him. They disparaged as signs of softness and distortions of the truth his remarks that the seizure of the U.S. Embassy in 1979 "hurt" the American people.

his disagreement with the ritual burning of the American flag and his praise for the founders of the United States.

And in a sermon charged with rage last Friday, Ayatollah Sayed Ali Khamenei, Iran's spiritual leader and the highest authority in the country, ruled out any dialogue with the United States, branding the country "the enemy of the Iranian nation."

Mr. Khamenei also denied suggestions from abroad and in the Iranian press that Mr. Khatami's remarks signaled that Iran may be moving toward a rapprochement with the United States, calling it "tricky propaganda" designed to destroy the unity of Iran's revolution.

Mr. Khatami has often stated that it is Mr. Khamenei who has more authority in Iran. And in his sermon Monday night, Mr. Khatami may

have been trying to signal that whatever his personal views the unity of Iran's Islamic republic comes first.

"Both before and after the revolution, American politicians acted toward the world as if they were the masters," he said.

At another point, he said U.S. legislation that demands punitive sanctions on foreign companies that invest heavily in Iran proved that the United States wants to impose its will not only on Iran, but also on Europe and Asia.

"They want to impose their own domestic law on the world," he said.

"The world will not tolerate a master any more — not only will we not tolerate a master, neither will the world. The embargo has led America into isolation. America's politicians are betraying the American people."

Outcry Forces U.S. Museum To Reverse Its Snub of Arafat

By Barton Gellman
Washington Post Service

WASHINGTON — The U.S. Holocaust Memorial Museum, faced with a rebellion on its governing board and what one official described as "a public outcry" against a decision to snub the Palestinian leader, Yasser Arafat, has reversed itself and will invite the former guerrilla chief to a VIP tour escorted by the museum's two top-ranking officials.

"When I make a mistake, I'm big enough to admit I made a mistake," Miles Lerman, chairman of the Holocaust Memorial Council, said in a telephone interview Monday. "The buck stops at my desk. I am the chairman."

He added, "The more I think about it, the more I think the visit of Arafat to this museum will serve a good purpose for peace."

Ruth Mandel, vice chairman of the museum's board, said she and Mr. Lerman would "take him around personally" if Mr. Arafat was still willing to make the trip. Diplomatic sources said talks were under way to arrange the details.

The president of the Palestinian Authority is to meet President Bill Clinton on Thursday, and museum officials said they were trying to arrange a tour for the next day.

The idea for the visit came from Aaron Miller, deputy to the State Department's special Middle East coordinator, Dennis Ross. They are both members of the museum board and they persuaded Mr. Arafat, in part through intermediaries, to make the visit.

But sources at the museum said members of the American Jewish community warned Mr. Lerman and the museum's director, Walter Reich, that Mr. Arafat should not be welcomed to the memorial to Hitler's victims.

Associates said they were stunned and distressed that a gesture of reconciliation and understanding had been rebuffed.

Secretary of State Madeleine Albright said on NBC's "Meet the Press" that it was "too bad" Mr. Arafat had been turned away, adding: "It would have been appropriate to have him treated as a VIP." Other administration officials, in private telephone calls to the federally funded memorial, made their displeasure known.

Mrs. Mandel, saying she was very angry that she had not been consulted last week, said Mr. Lerman told her he "got some bad advice, went against his instincts and acted in a way he now regrets."

He considers what earlier happened a mistake and we're doing what we can to turn this around," said Mrs. Mandel, a professor at Rutgers University and director of its Eagleton Institute of Politics.

Mr. Reich, who was described by Mrs. Mandel and two other associates of Mr. Lerman's as the main opponent of Mr. Arafat's visit, stressed that "there has been no reversal of policy."

But he said Mr. Arafat "is an official guest of the U.S. government and of the president and as such should be accorded every possible courtesy, in my judgment, and with all the dignity due to an official guest."

Mr. Reich emphasized that the museum would not receive the Palestinian leader as a head of state, a formality that generally involves the laying of a wreath in the Hall of Remembrance, where an eternal flame memorializes Hitler's victims.

Mrs. Mandel, asked about that proviso, replied, "I don't think we're going to make a lot of fine distinctions at this point."

Whether Mr. Arafat will accept the overture is unknown.

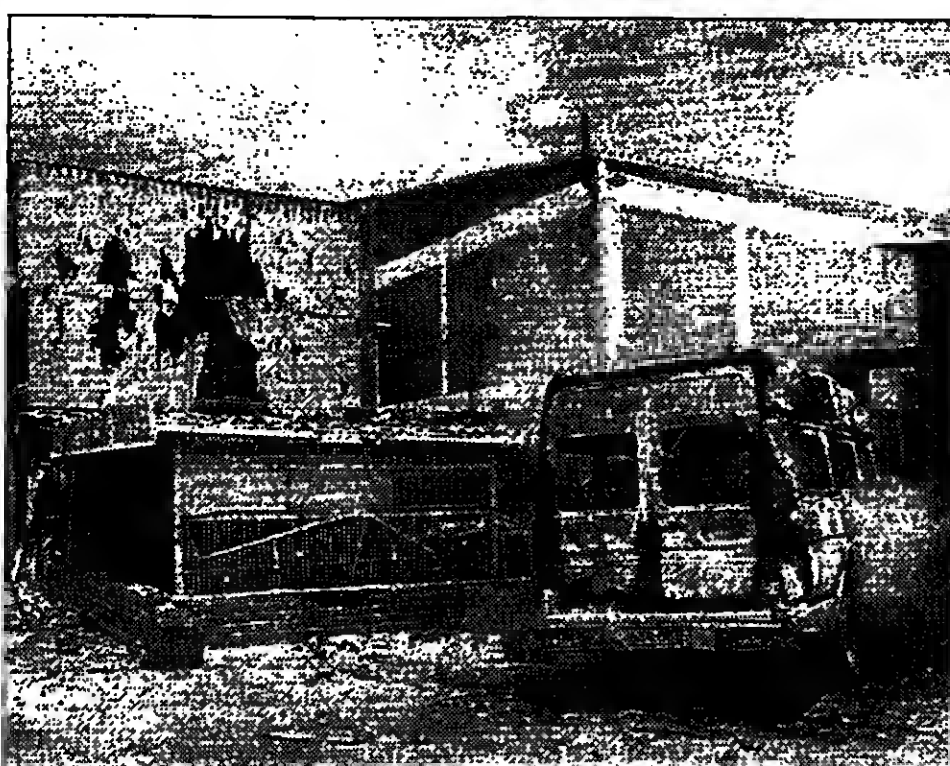
Ahmed Abdel Rahman, director general of Mr. Arafat's executive office, asked in a telephone interview from Gaza City: "Who will invite him? Will they tell him in public?"

He added: "I don't think he will say no. It depends on the invitation. If it is official, and they will respect him, there will be no problem."

Thomas Buergenthal, a law professor at George Washington University and a member of the museum board's executive committee, said the initial rebuff was "a stupid decision."

"I'm one of the youngest survivors of Auschwitz, and I just don't want to be part of this decision," he said before Mr. Lerman's announcement.

Other officials said the museum, and Mr. Lerman, had been flooded with telephone calls and faxes, many of them from Holocaust survivors, urging that Mr. Arafat be given a chance to learn at first hand about one of the defining events of Jewish history.



A shopping center and a vehicle burning Tuesday in a Harare suburb hit by rioting.

Troops Deployed in Harare Rioting

The Associated Press

HARARE, Zimbabwe — Army troops ready to shoot "trouble makers" were sent to the Zimbabwean capital on Tuesday, the second straight day of rioting over increased food prices.

It was the first time troops were deployed to control unrest since the country, formerly called Rhodesia, gained its independence in 1980.

"They have not been trained to use batons like the police," said the home affairs minister, Dumiso Dabengwa. "They will not hesitate to shoot any trouble makers." He said the army had been put on a country-wide alert in case rioting spread from Harare to other urban centers. There have been no reports of unrest outside the capital.

"We have been left with no other choice than to bring in the army," Mr. Dabengwa said.

The unrest that began Monday and continued Tuesday was the second eruption of rioting in Zimbabwe in recent months, showing a growing hostility toward the government of President Robert Mugabe.

Mr. Mugabe, who has ruled Zimbabwe since independence, has been accused of heading an autocratic, corrupt administration that is driving the country toward economic ruin.

Government officials and their cronies have benefited from land programs that are supposed to help poor blacks. A pension plan for former guerrilla fighters was riddled with corruption, leading to increasingly bitter protests by the war veterans until the government agreed

last year to pay them more than 4 billion Zimbabwe dollars (\$222 million) in a budget-breaking move.

In the rioting this week, the police fired tear gas and live ammunition at people who looted shops and stoned vehicles in central Harare and some of its suburbs.

On Tuesday, thousands of people fled the city center, fearing new violence. Military helicopters circled overhead and most businesses in central Harare were locked up by midmorning.

The day before, demonstrators and police batted in the city center, with hundreds of people left choking and retching from tear gas. One man was seen bleeding heavily from shooting wounds to his legs.

The police have released no information on the number of people who have been hurt or arrested.

Most bus services were suspended and taxi vans ran limited routes, preventing many workers from reaching their jobs.

The protests were sparked by a 21 percent increase Monday in the price of corn meal, following increases of more than 25 percent on most essential goods and foods in the first two weeks of 1998.

On Monday night, the government ordered milling companies to scrap the corn meal price rise. Commerce Minister Nathan Shamuyirira said the government found no justification for the price increase.

Business leaders have blamed the price increases on government policies that also are cited as the reason for a 50 percent decline of the Zimbabwe dollar against the U.S. dollar since November.

Kohl Declines to 'Philosophize' on Italy's EMU Bid

By Alan Friedman
International Herald Tribune

ROME — Chancellor Helmut Kohl ended a meeting with his Italian counterpart here Tuesday night noting that European Union finance ministers had praised Italy's efforts to qualify for European Monetary Union. But he refused to issue the ringing endorsement that many Italians had been hoping for.

Rome's deficit reduction efforts, Mr. Kohl said, "have been well recognized, but there is no point in philosophizing now." At a joint news conference with Prime Minister Romano Prodi, Mr. Kohl

said there would be no early decisions on which nations can qualify for monetary union, and that the decision would be made at a special European summit meeting on May 2.

Mr. Kohl, pressed by reporters for a statement on Italy's chances, limited himself to stating that all candidates for monetary union "need to do their homework, and the report card will be issued in May."

The tone of the Kohl-Prodi meeting was jovial, with both men stressing their friendship. But Mr. Kohl, who opinion polls say is facing opposition to the launching of the single currency from a

majority of the German people, was careful to avoid committing himself about Italy.

The chancellor was combative when asked to comment on Italy's plans to reduce its public-sector debt, which is now more than 120 percent of gross domestic product but is gradually declining. "That issue cannot be addressed today," Mr. Kohl replied. "All decisions will be taken on the basis of the treaty of Maastricht."

Asked about a recent public opinion poll in Germany that showed more than 70 percent against the introduction of the euro, Mr. Kohl expressed his optimism

that a majority of Germans would eventually support the single currency.

He added that he believed his efforts on behalf of the euro would increase his party's chances of winning general elections in September.

Mr. Prodi said the meeting had confirmed that Germany and Italy had a common objective of building a Europe "that is economically strong and politically united." He also said that the recent flow of Kurdish refugees to Italy had been discussed. Mr. Prodi said he had reassured Mr. Kohl that Italy was committed to introducing a new and tougher immigration law soon.

IRAQ: Butler Calls Talks the Toughest Yet

Continued from Page 1

goes some way toward meeting Iraqi demands for "balance" — or fewer American experts.

Some UN officials say they fear that the Iraqis are trying to outflank the disarmament commission diplomatically, hoping that Russian, Chinese and perhaps French experts — all from countries with commercial interests that

would gain if the Iraqi embargo ended — will look with more sympathy on Iraqi claims than independent technical inspectors have before.

Even with diplomatic support, however, Iraq will still have substantive problems getting clearance on both programs. Serious doubts remain about both material and documentary evidence.

"A key example is accounting for the missile warheads," Mr. Butler said. "There were at least 75 of these special warheads made. We destroyed 30 of them, so we know they were there. They say they destroyed the other 45, but they've not been able to prove that to us. There is also a hint that there may have been an additional 25."

"We also need to know what they were filled with," he said, adding that the commission wanted specific information on what kind of germ warfare agents or gases were loaded into the missiles and how and where they were destroyed. The inspectors are demanding the paperwork that accompanied any acts of destruction.

This is needed to examine sites where weapons were said to be destroyed. Mr. Butler called it a "forensic process."

"They hate us to get documents," he said. "One of the reasons is that they are great document-keepers."

But reviews will begin, he said, even if documents are still missing.

"I have agreed we'll get in some experts to sit with us and the Iraqis and talk this through to see where the truth lies," Mr. Butler said. "But I made it very, very clear that we are not prepared to accept some kind of external adjudication. It's not like that. We're in control of this, but we will happily accept international assistance and guidance."

Although there have been other technical evaluations of Iraqi evidence, the agreement Tuesday came with the vague deadline for a complete breakdown of inspections hanging over the talks.

Mr. Butler said he had asked Mr. Aziz exactly what was meant by six months



Foreign Minister Yevgeni Primakov of Russia, left, and Strobe Talbott, U.S. deputy secretary of state, discussing the latest crisis over UN weapons inspectors in Iraq. They met Tuesday at a conference in Sweden.

— six months from the National Assembly decision in November to recommend an end to cooperation with the arms inspectors or six months from the speech on Saturday by President Saddam, who "endorsed" the powerless assembly's call.

The Iraqis refused to discuss the issue, Mr. Butler said, adding that he expected a period of rising tension with Iraq between now and April, when the Security Council next reviews sanctions.

Iraq is likely to press harder than ever for an end to inspections, although even with some files closed Baghdad will still face a long-term monitoring program at high-technology UN laboratories here.

"They contend that they don't have

any weapons of mass destruction and that only the wicked Uncom won't see it that way," Mr. Butler said, referring to the United Nations Special Commission.

"We actually had this out this morning," he said of the confrontation with Mr. Aziz.

"Towards the end of our discussion, there was a pretty robust exchange between him and me, where I said: 'Sir, what you're telling us is that you don't have any of these things any more and no means of making bad stuff, and the only reason why this is not accepted by the world community is because the wicked Uncom won't see it that way. Right?'"

"And he said, 'Yes, that's right.'"

MIDEAST: White House Meeting

Continued from Page 1

including the House speaker, Newt Gingrich, Republican of Georgia, and the chairman of the Senate Foreign Relations Committee, Jesse Helms, Republican of North Carolina.

Clinton's 'Snub Diplomacy'

Barton Gellman of The Washington Post reported:

Having declined to find time for Mr. Netanyahu in November, even as his aircraft parked nose to tail at Los Angeles International Airport, Mr. Clinton is continuing what one administration official described as a deniable but obvious pattern of "snub diplomacy."

Tuesday's schedule includes no breaking of bread, no visit to Blair House, where high-level foreign visitors often stay, and no joint public appearance.

"We're treating him like the president of Bulgaria," the official said.

Then he added that Mr. Clinton would go jogging with the president of Bulgaria, "so that's not fair."

Mr. Netanyahu, for his part, made his feelings known in a private meeting with the Jewish philanthropist Edgar Bronfman Sr. a few weeks ago.

"Don't you know," he told Mr. Bronfman, summarizing Mr. Clinton's attitude, "there's a Saddam Hussein of the East?"

But for all their mutual displeasure, senior aides to both men said the visit was unlikely to become the open battle sought by Mr. Netanyahu's domestic and international foes. Mr. Clinton, his advisers said, intended to probe and prod Mr. Netanyahu. Mr. Netanyahu, armored with a display of strength among American Jews, the Christian religious right and Republican leaders in Congress, intends to warn the president against pushing too far.

The Clinton administration believes that Mr. Netanyahu is putting too little of the West Bank on the negotiating table to cut a deal with the Palestinians and is engaging in too many provocative acts of settlement expansion there.

UNKNOWN: Pentagon Delves Into the 'Anonymity' of Serviceman in Arlington Tomb

Continued from Page 1

He confirmed that the identity card and money found on the remains had vanished but said they could have been lost or stolen from the time of the body's discovery by a South Vietnamese patrol until the remains arrived at a mortuary in Saigon.

Mr. Greer conceded that some records pertaining to the remains had been destroyed, as CBS reported, but he said that was standard policy, as was widely reported at the time, "to preserve the sanctity of the unknown."

Unlike previous wars, the Vietnam conflict did not yield many bodies that could not be identified. Because of DNA

testing and other advances in forensics, the Pentagon had trouble finding an unknown serviceman from that war to honor.

But one was finally chosen, and in Memorial Day services in 1984 his remains were interred next to his brethren from earlier wars.

"As a child, did he play on some street in a great American city?" President Ronald Reagan asked, his voice choked with emotion. "Did he work beside his father on a farm in America's heartland? Did he marry? Did he have children?"

No, Ms. Blassie said Monday, assuming for a moment that the remains

are her brother's. Michael Blassie grew up in St. Louis, was single, loved sports and graduated from the Air Force Academy. His father, now dead, was a meat-cutter.

Suppose, his sister was asked, that the remains in the tomb are not those of her brother. That will be all right, she said, because at least the family will know.

And if the remains are his? "We want to bring him home," she said, adding that "home" could mean a cemetery in St. Louis or, perhaps, Arlington itself.

"Putting him to rest with a name on the headstone — that would be home," she said.

BRIEFLY

Archbishop Seeks African Debt Relief

ADDIS ABABA, Ethiopia — The Archbishop of Canterbury, leader of 70 million Anglicans around the world, urged Tuesday that Africa's crippling debt be forgiven to celebrate the millennium.

"Have the moral courage to take the chains off Africa by relieving her of the burden of unpayable debt," Archbishop George Carey told 500 representatives of the Organization of African Unity and the UN Economic Commission for Africa.

The debt for 52 sub-Saharan African countries has reached \$235 billion, mostly to the International Monetary Fund, the World Bank, the African Development Bank and individual governments. (AP)

Opposition Leader Arrested in Congo

KINSHASA, Congo — The army arrested the outspoken opposition leader Joseph Olingankoy after breaking into his office Tuesday, his party said.

The arrest in Kinshasa followed weekend comments by President Laurent Kabila in which he reaffirmed a ban on political activity in the former Zaire during a two-year transition that ends next year.

"Olingankoy was taken away by an armada of soldiers," said a spokesman for his party, the Innovative Forces for Union and Solidarity.

There was no official confirmation of the arrest. (Reuters)

Landslide Snarls Traffic in Peru

LIMA — Heavy machinery was being used Tuesday to clear mud and rubble from a landslide that has blocked one of Peru's principal highways for three days.

The Friday night landslide covered two miles of the highway that links Lima to the central highlands, Peru's main source of fruits and vegetables. (AP)

For the Record

Leftist rebels dynamited Colombia's main pipeline twice in recent days, suspending pumping and spilling 12,000 barrels of crude oil into two rivers, the state-owned oil company Ecopetrol said. (AP)

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Real Help for Africa

The Clinton administration says it is putting Africa near the top of its priority list for foreign policy this year. President Bill Clinton will visit the continent, and officials are working with Congress to forge an initiative that would reward — mostly with increased trade and investment — those nations that are pursuing sound economic policies and making progress on their own. Despite the poverty and civil conflict that still grip so many African nations, such relative success stories do exist, although they do not get much attention, and the administration is right to reach out to them.

But a key plank of any successful Africa policy — debt relief — is in trouble right now, in need of a decisive push. Too many countries, even ones doing everything right in fiscal and social policy, find themselves burdened by old debts, assumed by long-gone dictators or for long-past wars and long-forgotten commitments. No matter how fast they race, these nations cannot get ahead of their interest payments, and so even the most democratic and sensible regimes find themselves unable to deliver sufficient improvements in standards of living.

One such burdened country is Mozambique, which has emerged from a 16-year civil war and shocked

its old Marxist ideology. It has a democratic government, a decade of good economic progress and a commitment to education for its population of 18 million — overall, as World Bank President James D. Wolfensohn has written, "a track record of good policy performance that qualifies it for a debt relief decision now." And its need is beyond question. Average income is less than \$100 per person, per year. More than 60 percent of adults are illiterate, more than one-third have no access to safe drinking water. Yet the country spends roughly twice on debt payments what it spends on education, and four times as much on health, according to Oxfam International.

The World Bank and the International Monetary Fund have agreed to greatly reduce Mozambique's debt to them, but that will not help much unless bilateral creditors — including Russia, France, Italy and others — also agree to reduce Mozambique's debt to sustainable levels. Representatives of these creditor nations, including the United States, are scheduled to meet this week. Whether they take meaningful action will be closely watched as a measure of whether the rich world's latest initiative toward Africa is rhetoric or reality.

—THE WASHINGTON POST.

The Pope Visits Cuba

Pope John Paul II has visited many dictatorships, but few of his trips have carried the expectations of this week's visit to Cuba. Anyone hoping that the visit will make Cuba much freer or shorten Fidel Castro's rule is likely to be disappointed. Only a few previous papal trips have had political reverberations, and those have taken place in circumstances very different from those in Cuba today.

The closest the Pope usually comes to discussing secular politics is his embrace of religious freedom and other human rights and his insistence on policies that help the poor. He is known as an anti-Communist, but he also criticizes what he calls savage capitalism and opposes economic embargoes, two views that match those of Mr. Castro.

The Pope, however, is above all an evangelist. He travels to minister to Catholics, win more rights for Catholicism and strengthen and discipline the church. His political effect is greatest when the church itself has a major political role, which is not the case in Cuba.

The best example, of course, is Poland, where the Pope's contribution to the rise of Solidarity in August 1980 and the fall of communism was unmistakable. Karol Wojtyla visited his country eight months after his election as Pope John Paul II in 1978. At the time, communism was weakening and the opposition, led largely by the church, was growing bolder. The Pope's visit, which drew crowds of up to 2 million, gave Poles moral and physical courage. Without directly criticizing the state, the Pope provided a challenge to communism.

Emptying the Oceans

America's fisheries are not in good shape. By some accounts, more than two-thirds of all commercially important fish populations are now classified as "fully fished" or "overexploited," which means that they are in decline or heading there.

There are many reasons for this, including bloated fishing fleets, the absence of strong international regulations and the pollution of wetlands, coral reefs and other important breeding grounds. Another destructive force, and perhaps the most pointless, is "by-catch" — fish that are inadvertently caught and thrown back, usually dead, because the fleets do not intend to bring them to market. About 20 million tons of fish, one-quarter of the annual worldwide catch, are wasted in this way.

The task of minimizing by-catch, and otherwise ensuring the recovery of overfished species in American waters, now rests with the National Marine Fisheries Service, which is writing regulations to carry out the 1996 Sustainable Fisheries Act.

Approved despite strong opposition from commercial fishing interests, the act finally tilted the rules in favor of the fish. It required the nation's eight regional fishing councils to adopt restoration plans, including strict quotas

where necessary, and it told the Fisheries Service to figure out how to reduce by-catch.

For some species, adjustments in fishing methods could do wonders. Requiring shrimp boats in the Gulf of Mexico to modify their nets could cut by half the number of red snapper unintentionally caught and killed.

Other changes will be more controversial. Fishing with "long lines," for example, is the main method of catching tuna, swordfish and other species in the open seas. Long lines consist of high-strength fishing lines baited with as many as 3,000 hooks. These hooks kill many juvenile fish that are essential to the recovery of any species, as well as fish that now receive some legal protection, like marlin, giant bluefin tuna and sharks.

In 1991 the United Nations placed a moratorium on huge drift nets. Tough restrictions on long lines would be the next logical step.

Even the fishing industry cannot much longer ignore the obvious. As one conservation group, the Natural Resources Defense Council, put it in an influential study last year, "We are no longer living off the income of our fisheries, but eating deeply into the capital."

—THE NEW YORK TIMES.

Suppose These Leaders Had the Stature of Sadat

By Thomas L. Friedman

WASHINGTON — An important anniversary quietly slipped by this past November. It was the 20th anniversary of Anwar Sadat's visit to Jerusalem. It is worth recalling Mr. Sadat these days — both his wisdom and his courage to just get on a plane, fly to Israel, extend his hand to the Israeli people and thus pave the way for the first Arab-Israeli peace.

Twenty years later, the lesson of Sadatism seems to have been forgotten by both Israeli and Arab leaders. We are back in a pre-Sadat era.

I am sure Prime Minister Benjamin Netanyahu has not come to President Bill Clinton empty-handed. He will have offered some further Israeli withdrawal from the West Bank, and may accept that the Palestinians will not have to meet all his demands up front before he has to do anything. That is good.

But what demands he attaches for the Palestinians, whether it is the laundry list he put out in Israel — a list that seemed designed more to win a propaganda war with the Palestinians than to elicit their real security cooperation — remains to be seen.

As for Yasser Arafat, one hopes he will come with concrete, detailed counterproposals, not just complaints. Play-

ing the victim only tempts this Israeli government to treat him even more like a weak, inept vassal.

Still, even with the best of details, it is hard to get excited about this week's meetings. How can you? You can only get excited about a summit when you sense that there is someone there with the will to create a real breakthrough. That is simply not the case here.

Mr. Netanyahu's whole strategy seems to be to slow down history, not to make it, and Mr. Arafat's whole preoccupation is with being a victim of history, not its author.

I realize that this is just a fantasy, but think what it would sound like if Mr. Netanyahu and Mr. Arafat approached peacemaking like Anwar Sadat. The essence of Mr. Sadat's approach was that you start by reaching out to the other side and reassuring it on the most important psychological issues, and then you ask for all you want in return.

Anwar Netanyahu would say this: "My Palestinian neighbors, let me assure you that at the end of these negotiations there is going to be a Palestinian state in the West Bank and

Gaza. You are entitled to a state like any other people.

"And as the sovereign rulers of that Palestinian state, it will be up to you to decide how many residents you want. If you want to all live in high-rises, like Hong Kong, so that every Palestinian refugee can return, that's your business. I want to give the Palestinian refugees a stake in this process, too."

"But having given these assurances, I will insist that your state be demilitarized and that Israel have an ongoing role in ensuring that it remains such. I will insist that your state be smaller than the 1967 borders, which were not defensible. And I will insist that a united Jerusalem remain with Israel, but we are ready to listen to your claims and to deal with this issue last."

"Now let's talk details."

Anwar Arafat would say this: "My Israeli neighbors, we understand that you have legitimate security concerns. Let me assure you that we are ready to accept a demilitarized state, and we would even consider a UN trusteeship over that state for a limited period to help us get on our feet."

"I am also ready to acknowledge that the boundaries of our state do not necessarily have to correspond with the

1967 lines. Limited adjustments may be possible to deal with issues of population and security."

"But having given these assurances, we will demand Palestinian control over the vast majority of the West Bank. We will insist on running the Muslim religious sites in Jerusalem and will seek to establish our capital in the Jerusalem area. But we, too, will leave this to the last stage."

"Now let's talk details."

As I said, just a fantasy. But if you want to know whether the talks this week are going anywhere, listen to Mr. Netanyahu and Mr. Arafat.

And then measure their words against the Sadat standard — the standard of a man who did not hide behind his domestic political constraints but rose above them; the standard of a man who did not look to the American president to do his psychological breakthroughs, but did them himself; the standard of a man who understood that you always get more, not when you start by trying to lower the other side's expectations, but when you start by trying to honor its basic needs.

Yes, measure them by the standard of a real leader.

The New York Times

How the Middle East Looks Today From Mubarak's Egypt

By Osama Baz

CAIRO — If Mohammed Khatami is successful in opening up Iranian relations with the West, Iraq will be left completely isolated. Fear of isolation could have the effect of moderating Saddam Hussein in a way that sanctions never could.

I believe President Khatami has good intentions and is serious, but he has many constraints. It remains to be seen how far he wants to go, and how far he will be allowed to go.

The new regime in Iran has expressed an interest in mending fences with Egypt, but the signals are mixed. They have said, "Let us forget the unhappy past." Yet our intelligence is that Iran has not stopped giving support to extremists in Egypt and Sudan.

Previous offers to mend relations with Egypt were nipped in the bud by hard-liners. Nothing materialized.

With Mr. Khatami, we believe that the chances for change are greater than ever before, although it is not clear at all that the present trend is irreversible. In any case, we are not going to run after their words and promises. Egypt

bases its policies on hard facts, not on daydreaming.

In his proposal for dialogue with America, Mr. Khatami is essentially trying to mitigate the damage of the U.S. strategy to isolate his country. He decided to go directly to the main adversary, which is organizing the world against Iran.

We are looking to Washington to take the initiative now to get us out of the Palestinian-Israeli stalemate. If the situation is left to the parties themselves, the Israelis won't move.

The Clinton administration is serious about making Israel stick to its commitments. It seems to me that President Clinton now has a wide margin of maneuver to act.

First, Israel is bound by internationally recognized accords to fulfill its obligations for a phased redeployment from the West Bank. The deadlines for beginning this withdrawal are already past.

Second, a good majority of the American public, including

the American Jews, are in favor of a more moderate Israeli position. They view the stalemate as a hindrance to peace, as the path back to widespread terrorism and perhaps even war.

The American public today is well informed. They know that the reason the Arab countries are being lukewarm toward the American effort to contain Iraq is because the Palestinian-Israeli peace process is foundering. A vital American interest is at stake here.

The Israeli positions to date — continuing with settlements, refusing to draw up a detailed plan of territory from which to redeploy — are negotiating stances. Benjamin Netanyahu knows that without the support of the American public and the American Jews he is not on solid ground.

The Israeli government keeps talking about "reciprocity." For Mr. Netanyahu this does not mean that Israelis and Palestinians are bound to certain mutual commitments under Oslo. The term is for him a euphemism meaning that the Palestinians must do whatever

the Israelis demand before Israel will fulfill its international obligations. This position is a delaying tactic that a clear-minded American initiative will make untenable.

The atrocities in Algeria against innocent people are unspeakable. There seems to be no end to it. What these terrorist groups do is against all teachings of Islam.

The answer is not to internationalize the problem with foreign intervention. The only course is to strengthen the hand of the Algerian state. We must support the Algerian government in its fight against the terrorists. No one in the world is in a position to tell them to hold a dialogue with those who murder women and children.

All the terrorists want to do is demonstrate to the world that the government is unable to protect its people. If we allow ourselves to interfere, we will be playing into their hands.

You cannot stop terrorism 100 percent. No country has ever done it. The Irish Repub-

lican Army goes on. There are terror attacks in the Japanese subway, and even in the heartland of the United States. Terror is a malaise of our age.

The objective is to contain terror and to make terrorist organizations lower their expectations. The objective is to limit their ability to intimidate a society.

Security measures are not enough. Education of the people who might support them is critical. So is the promotion of proper religious interpretation of the Koran through the media.

Together with this, of course, a government must improve the lot of the people. Otherwise the terrorist groups will be able to convince them that they have been abandoned by the powers that be.

Mr. Baz, the senior security adviser to President Hosni Mubarak, was a foreign policy adviser to the late President Anwar Sadat. He spoke last week with *Global Viewpoint* editor Nathan Gardels. This comment is excerpted from an interview distributed by the Los Angeles Times Syndicate.

Economic Crisis Is Proof That Asians Need Democracy

By Martin Lee

HONG KONG — Philip Tose, chairman of what was until last week Asia's largest investment bank outside Japan, was one of the biggest fans of what came to be known as "Asian values."

In 1992, one of the boom years, Mr. Tose extolled the virtues of "strong government — some would call it dictatorship," which delivered "much better economic growth." His Hong Kong-based Peregrine Investments Holdings Ltd. went into bankruptcy this Jan. 12 because it had placed too large a bet on one of those strong governments, Indonesia's.

He was not alone in his preference for unrepresentative

governments admired for their "efficiency." Other prominent Asian and Western business leaders shared his admiration for authoritarian countries such as Indonesia and China, and mocked the "inefficiency" of democracies such as India and the Philippines.

It is no accident that Indonesia is now suffering the most from the Asian financial flu. Its causes? A despotic ruler who learned to cash in on his absolute political control, investors who relied on cronyism instead of market forces, and a lack of accountability and commonsense financial controls.

Last week, under IMF pressure, President Suharto finally signed on to economic reforms, including dismantling the monopolies controlled by his friends and family.

Let us hope that the region's economic reckoning and Indonesia's disastrous path will help put to rest the myth of "Asian values": that democracy and human rights are "Western" concepts inimical both to Asia and to economic growth. Now across Asia, people increasingly see the advantages of having open and accountable government and are beginning to demand it.

The countries that have weathered the Asian financial storm best are democracies — Taiwan, the Philippines and Japan. And those nations that are in the process of recovering, including South Korea and Thailand, have done so only after jettisoning their corrupt former regimes through a democratic process.

The first lesson from the Asian crisis is that a government that is not answerable to its people will not be likely to have open markets or the institutions required to impose discipline to overcome a financial crisis.

A second lesson is that guaranties, or connections, are never a substitute for the rule of law. Why is it a shock to discover that rulers in Indonesia, Thailand and China have taken advantage of the wealth created by foreign investment and their own people to line their pockets?

It is important for the West to seek not only economic restructuring from Asia's teetering autocratic regimes, but substantial political reform as well. A failure to diagnose the need for democratic and accountable government will bring only more economic misery.

The writer is chairman of the Democratic Party of Hong Kong. He contributed this comment to *The New York Times*.

The U.S.-South Korean Partnership Needs Adjusting

By Ralph A. Cossa

HONOLULU — U.S. Defense Secretary William Cohen arrives in South Korea this Wednesday. This is the first visit to Seoul by a senior Pentagon official since the financial crisis struck South Korea in earnest.

Mr. Cohen will need to deal with a host of long-term security implications. The immediate impact has already been felt. The South Korean Department of Defense is cutting its budget, which will mean cancellation of planned or anticipated expensive arms purchases from the United States.

That, combined with the severe devaluation of the won (which has lost more than half its value against the dollar in the last three months), is sure to remove South Korea from the short list of Asian countries with which the United States has a trade surplus.

It is not likely immediately to increase the South's vulnerability, however, given North Korea's own difficulties and the deterrence value of the U.S.-South Korean military alliance, backed up by the presence of 37,000 U.S. troops in the South.

Mr. Cohen should also be prepared to deal with requests for relief from impending security-related financial obligations. These include \$399 million in host-nation support to defray the costs of the U.S. presence, and financial support for the Korean Peninsula Energy Development Organization, which faces in the next 10 years a financial burden in the neighborhood of \$5 billion to build

two light water reactors in North Korea.

The reactors are part of a deal in which Pyongyang froze its nuclear "research" effort in return for interim fuel oil delivery to South Korea, and for eventual construction of less proliferation-prone reactors, which South Korea and Japan were expected to finance.

South Korean defense officials have acknowledged their host-nation support obligation as part of "burden sharing" arrangements with the United States. But they are hoping for some flexibility, since the \$224 million in wages to be paid (in U.S. dollars) to Korean workers at the U.S. bases will now cost more than twice as much won as anticipated.

President-elect Kim Dae Jung has joined a growing chorus (which includes Japanese officials) calling for at least "token" U.S. support to the reactors project.

These contentious issues, while of immediate concern, pale in comparison with the more fundamental question of America's future role on the Korean Peninsula.

The North Koreans have stated that they want to see a total withdrawal of U.S. forces from the peninsula as part of any peace agreement to emanate from the four-party talks involving the two Koreas, China and the United States.

Both Washington and Seoul have so far stressed that the U.S. military presence is "not negotiable." The North is expected to continue to pursue its position, however, and this could begin to strike a more resonant chord as South Koreans fret over the growing cost of maintaining the U.S. forces.

Mr. Cohen and South Korea's current and future presidents (Kim Young Sam remains at the helm until Feb. 28) should seize the opportunity of the Cohen visit to stress to the South Korean people why the continued U.S. presence is essential to their security today and well into the future.

The absence of a peace treaty in the past 45 years has not resulted in another war. Nor would the presence of a formal treaty assure peace, without a fundamental change in attitude in the North, along with reduction in what is today the world's fourth-largest standing army.

Until there is genuine rapprochement between South and North, the surest guarantee of peace on the peninsula remains the U.S. military presence.

U.S. flexibility in easing the more immediate financial burdens on Seoul would help. But the likelihood that the U.S. Congress would approve additional funds for North Korean reactors is nil. The Clinton administration will be lucky to come up with the funds to pay for its obligated fuel oil deliveries.

One solution would be for the United States to agree to a

one-time reduction in host-nation support, with the understanding that these funds would instead be directed toward the reactor project.

A 25 percent reduction (about \$100 million) would not bankrupt the Pentagon. Construction costs are largely won-based, and the payments in large part will go to support South Korean companies.

The point is to defuse an im-

mediate problem that could damage U.S. and South Korean long-term interests, while also helping to assure that the two countries do not renege on their side of the bargain with North Korea.

The writer is executive director of Pacific Forum CSIS, a Honolulu-based nonprofit foreign policy research institute. He contributed this comment to the *International Herald Tribune*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Yellow Journals

NEW YORK — So great is the universal disgust with the outrageous performances of yellow journalism in this city that Senator Ellsworth has introduced a bill in the Legislature which is practically a gag law. It provides that any person or agent engaged in editing or publishing any indecent, depraved or libellous paper, which degrades or injures the minds or morals of its readers, is guilty of a misdemeanor and shall be punished by a fine of \$1,000 or imprisonment of one year or both. It will undoubtedly be declared unconstitutional.

1923: Ruhr Arrests

PARIS — Twenty-two German civilians, including Friedrich Thyssen and five other coal operators in the Ruhr, have been arrested and taken to Mainz for trial by court-martial. There was a falling off in coal output and a

threatened strike by miners. The French Government is determined to meet every move of German passive obstruction by severe counter-measures.

1948: No Duel

PARIS — Challenged to a duel by another reporter, Pierre Hervé, young writer for the Communist party's "L'Humanité," will have to refuse because his party alone dictates his enemies. This statement was made last night after seconds for Jean Bernard-Derosne, of the Rightist newspaper "L'Epique," had left a challenge with M. Hervé, who is a member of the French National Assembly as well as a journalist. "The Communist party does not accept combats between individuals," it was announced. "It is not possible to accept. Combat is decided by the party and not by the provocation of an adversary."

Herald Tribune

ESTABLISHED 1887

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 119001. Tel: (65) 472-7768. Fax: (65) 234-2334
Hong Kong: Tel: (852) 222-1188. Fax: (852) 222-1190
San Francisco: Tel: (415) 774-1188. Fax: (415) 774-1190
New York: Tel: (212) 222-1188. Fax: (212) 222-1190
U.K. Advertising Office: 63 Long Acce, London WC2E 9LT. Tel: (44) 207-3800. Fax: (44) 207-3801
S.A.S. on capital of 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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OPINION/LETTERS

Following the Pope's Example, America Can Help Free Cuba

WASHINGTON — Over the past 20 years, Pope John Paul II has been the most influential political figure in the world. He arrives in Cuba on Wednesday to spread the Gospel to a nation that has been spiritually starved, but his effect, as usual, will transcend religion.

In 1979, eight months after becoming Pope, he visited his native Poland, drew crowds of 2 million and helped establish the Solidarity movement. In 1983, he traveled to Nicaragua, criticized the liberation theology of its priests and helped end the Sandinista regime.

The Pope — even more than Ronald Reagan, Margaret Thatcher or Mikhail Gorbachev — was responsible for the near-bloodless revolution that routed communism and replaced it in Europe and Latin America with imperfect but largely humane and democratic capitalism.

The only holdout is Cuba, a country of 11 million, frozen in time (1959 or thereabouts), morally and economically bankrupt, ruled by an aging, preening dictator who can't shut up.

What will Pope John Paul II, leader of the world's 1 billion Catholics and his subjects? He will certainly try to establish a more firm foundation for the church in Cuba. He will also talk about human rights, which the Pope understands to mean not only political but also economic freedom. Even the U.S. Conference of Catholic Bishops

By James K. Glassman

now admits that "the economy exists for the person, not the person for the economy."

Since the fall of his Soviet benefactors, Mr. Castro in desperation has had to loosen some of the state's control over how his people earn a living. In eight years, Cuba's gross domestic product (not much to begin with) has dropped 25 percent. There is now a pinch of entrepreneurship in Cuba — private food markets, foreign ownership of businesses.

But not much, and no thanks to the United States. The U.S. embargo, which limits travel and prohibits Americans from selling things to Cubans or buying things from them, has been in place for nearly 40 years — with absolutely no beneficial results. Multilateral trade sanctions work rarely, unilateral ones never.

The embargo has not brought down Mr. Castro's regime. Instead, it has reinforced it by providing a scapegoat at which he can rail. Besides, if we Americans truly believe in economic freedom, how can we perpetuate a policy that not only flouts that principle but has not worked anyway?

Trade, in fact, is a human right. You should have the liberty to exchange your work, the products and services that you create, with anyone in the world — from the corner dry cleaner to the Balinese artist to the Havana cigar maker. The only exception is war, and America is not at war

(or anything like it) with Cuba.

Some 35 years have passed since the missile crisis. In the rest of Latin America, with its 400 million Catholics, Mr. Castro can no longer subvert or agitate. He is a pathetic old man. What are Bill Clinton and Congress so afraid of?

The Cuban exiles of Miami? Oh, maybe. But over the years they have shed their insularity and paranoia. Their uncompromising leader, Jorge Mas Canosa, died in November without a forceful successor. More important, most exiles understand that they would be beneficiaries of a lifted embargo and a Cuba open to two-way trade.

Take a trip to Miami, as I did last week, and you will find one of the two or three most exciting cities in the United States — its buildings joyfully painted pink and other and turquoise, its port jammed with containers and cruise ships, its banks and restaurants bustling.

No, the politician who has the most to fear from a lifting of the embargo is Fidel Castro. "There would be no surer way to undermine the Castro regime," The Economist says, "than to flood his streets with American tourists, academics and businessmen, with their notions of liberty and enterprise."

If the United States lifted the embargo, not only would Mr. Castro be denied a scapegoat, but if he still tried to keep out U.S. investment (and films and soft drinks and computers), then he himself would at last have



to shoulder the blame. It would be too heavy a burden, and like the Berlin Wall, he would fall of his own weight.

"In her social doctrine," Pope John Paul II once said, "the church does not propose a concrete political or economic model, but indicates the way, presents principles."

The way is clear. The last Communist leader in the Western Hemisphere has overplayed a weak hand in allowing the Pope to visit his country. Out of touch, Mr. Castro has made a serious political blunder.

In a six-hour televised speech that began Friday evening and stretched into the next day, he praised John Paul and insisted the Pope had much in common with Cuba's leaders. "He's done all his criticisms of communism," Mr. Castro said. "Now, he's criticizing capitalism."

The truth is that the Pope's most pressing complaint about capitalism involves a country that professes to practice it but which enforces an embargo that mocks it. That country's president could add to his legacy by standing up for principle and taking advantage of the pontiff's visit to declare that he will end all sanctions immediately — no matter what the anachronistic old man in the beard and the fatigues does.

Mr. Clinton, in short, should call Mr. Castro's bluff. The result, before very long, will be a thriving, Castro-less Cuba, a diamond crescent glistening in the blue Caribbean and another nation the Pope helped make free.

The writer, a fellow at the American Enterprise Institute, contributed this column to The Washington Post.

Amid Science's Advances, Not Those That Matter

By John Horgan

GARRISON, New York — These are giddy days for scientists.

In his new book, "Remaking Eden," Lee Silver, a biologist at Princeton, foresees an era in which humans attain virtually infinite power to manipulate their bodies and minds.

Our descendants will be smarter than Einstein and more athletic than Michael Jordan, he predicts, and they will live for hundreds of years, if not forever.

Recent events lend support to these sci-fi scenarios. This month, Richard Seed, a physicist in Illinois, announced plans to open a clinic for cloning humans, a notion inspired by the cloning of a sheep last year. Last week, researchers at Geron Corp. reported their discovery of a possible "fountain of youth," a method that could prevent the aging and death of cells.

Forgive me for being a bit jaded, but my own recent experiences

I watched depressed patients at the New York State Psychiatric Institute at Columbia-Presbyterian Medical Center receiving electro-convulsive therapy.

More popularly known as shock treatment, it has been refined since the days when it was portrayed in "One Flew Over the Cuckoo's Nest." Patients are given muscle relaxants and mouth guards to prevent teeth and bones from shattering, and dosages are calibrated to reduce memory loss.

No one has any idea why shock therapy works. The relapse rate is extremely high, as much as 90 percent. Yet, incredibly, shock therapy is the most effective treatment for severe depression. So much for the claims that we are on the verge of abolishing despair and anxiety through drugs.

The potential of human genetics has also been overrated. Over the past decade or so, scientists have served up finding after finding proclaiming the discovery of genes that supposedly control complex human traits and disorders such as novelty-seeking, homosexuality, schizophrenia, manic depression and alcoholism.

Researchers hope they will be able to customize human personalities through genetic engineering. But so far not a single one of these claims linking genes to complex traits has been corroborated by follow-up studies.

Researchers have made genuine progress in finding genes associated with certain diseases — cystic fibrosis, Huntington's disease, Lou Gehrig's disease and early-onset breast cancer. But none of the promises of therapies based on this genetic knowledge have been fulfilled.

It is natural to focus on the advances of science. But given how little progress science has made against such fundamental problems as cancer and mental illness, all this talk about our impending biological omnipotence strikes me as unseemly.

By drawing attention to failures as well as legitimate achievements, perhaps scientists and journalists alike will present a less distorted, more honest picture of science's real prospects.

The writer, author of "The End of Science," contributed this column to The New York Times.

MEANWHILE

give me a somewhat different perspective on the potential of these breakthroughs. Two years ago my brother-in-law, a vibrant man in his mid-50s, was found to have cancer. He underwent the usual gamut of treatments, including surgery, chemotherapy and radiation — and a promising experimental technique using anti-angiogenic therapy. He died last fall.

Since President Richard Nixon officially declared a "war on cancer" in 1971, the United States has spent more than \$30 billion on cancer research. Scientists have taken enormous strides toward understanding how different types of cancer occur, and they have invented sophisticated methods for detecting the disease and tracking its course.

But overall mortality rates from cancer have remained virtually unchanged since 1971, and in fact for the 50 or so years for which reliable data exist. Maybe someday all our research will yield a cure that will render cancer as obsolete as polio. But the record so far does not offer much hope.

Science has also made pitifully little progress at understanding, or healing, our fantastically complicated minds. A couple of months ago, while doing research on mind-related science,

the writer, a fellow at the American Enterprise Institute, contributed this column to The Washington Post.

LETTERS TO THE EDITOR

An Agent for Change

Regarding "A Changing Cuba Embraces Catholicism" (Jan. 19) and "Pope Chooses 22 Cardinals" (Jan. 19):

The first article calls Pope John Paul II a "shrewd and charismatic revolutionary" while the second describes him as "putting his conservative stamp on the Roman Catholic Church." The terms "conservative," "liberal" and "progressive" have become increasingly problematic when

applied to both political and moral issues. Insofar as "revolution" means "change," the Pope has been an agent for change in the world.

But this is not conservative change, nor for that matter liberal or progressive change. Within the Catholic Church such terms are not meaningful. While political parties, philosophers and nation-states agonize about what is "left" and what is "right," the Vatican may go down in history as the first organization to realize

the redundancy of these terms.

THOMAS BOURKE
Florence.

The Museum and Arafat

Regarding "Arafat Unwelcomed at U.S. Holocaust Museum" (Jan. 19):

The U.S. Holocaust Memorial Museum at first refused to welcome the Palestinian leader, Yasser Arafat, as an official visitor, despite the State Department's view that such a visit would be a

gesture of reconciliation helpful to the peace process. This federally operated museum thus turned down an opportunity to support U.S. policy in the Middle East.

HAROLD TITTMANN
Brussels.

The officials of the U.S. Holocaust Memorial Museum should have invited Yasser Arafat to the museum — if for no other reason than consistency. After all, they invited the Croatian president, Franjo Tudjman,

who had denied the magnitude of the Holocaust, to the museum's very opening in 1993.

MLADEN ANDRIJASEVIC
Beersheba, Israel.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

ADVERTISEMENT

DESTINATION GREECE! GASTRONOMY

Culinary Renaissance as Cultural Heritage

Visitors to Greece — as well as local residents — are rediscovering the country's gastronomic traditions.

Greece can be called both the first and the last culinary frontier in the Mediterranean. The first, because the culinary traditions of antiquity linger on, not only in the myriad dishes and ingredients still found in Greek culinary culture, but also in the influences that reach beyond Greek shores.

Greece is also the Mediterranean's last culinary frontier, though it might still be undiscovered and slightly misunderstood. For decades, Greek cuisine was defined by the few hackneyed dishes served on restaurant menus from Athens to San Francisco: moussaka, pastitsio, Greek salad, souvlaki, etc. But all that has changed at lightning speed in the last few years. A revolution is afoot that is altering the way foreigners, both in Greece and abroad, experience Greek cooking.

Fifteen years ago, the evolution of Greek wine began to take hold. Today, the wine industry is vibrant. The current food evolution started in the early 1980s, in the United States.

First, a small restaurant called Perlyali opened in Manhattan and was the first beacon of Greek cuisine beyond moussaka. Today, in New York alone, some 20 new Greek restaurants — all opened in the last three years — highlight the unusual, robust and tremendously varied cuisine from every region of the country. In addition, a spate of books on traditional Greek cooking has been published in the last six or seven years. These books feature Greek food in a diet, especially the Cretan diet, helped make Greeks more aware of their culinary treasures.

And in the last two or three years, Greek dishes, culled from a long continuum and from vast regional traditions, have found a new home and new expression in restaurants. In other words, Greek regional and home cooking are finally becoming accessible outside the home.

The Academy (not Plato's). The last few years have also witnessed a newfound interest in the culture of food. Private culinary foundations are springing up that aim to resuscitate and promote ancient and Byzantine food traditions as well as regional cuisine. One such organization in Crete, the Greek Academy of Taste, has staged some of the most interesting culinary events in the country. The most recent was a day devoted to the cuisine of Nikos Kazantzakis, with dishes culled from the late author's novels.

In the press, too, food has become a staple. Five years ago, most newspapers did not have weekly food sections. Today, almost all of them do. As for magazines, the last few years have seen the birth of numerous specialized publications centered on food, wine and lifestyle.

All these factors combined, from within and outside of Greece, have produced a new mentality. Athens has followed other European cities and now has a food and restaurant culture of its own. Dozens of fine dining establishments

that focus on Greek cuisine have opened in the last two years alone. Traditional Greek food as well as new Greek flavors are at the center of the current restaurant trend.

Highest standards

Outside of Athens, and especially in tourist hot spots, the scene is different. In the most heavily touristic parts of the country, restaurants and hotel eateries are just now beginning to join the bandwagon, and this thanks largely to an initiative of the Greek Tourism Organization. At the urging of Nikos Skoulas, the organization's general director, restaurants all over Greece can now partake in a voluntary accreditation program. The aim is to promote Greek cuisine and to improve restaurant standards throughout the country. Restaurants that meet the criteria with respect to the type and quality of cuisine, décor, service and hygiene will be rewarded with an official sticker, visible to tourists, signifying that traditional Greek cuisine is served on the premises.

Health's the word

The accreditation program is in the pilot phase and is being implemented first in Crete and Thessaloniki. In the initial phase, the emphasis is largely on educating the teams of people who will actually be visiting the restaurants to determine which establishments are eligible for the accreditation. Next, chefs and restaurateurs will take seminars on all aspects of the restaurant business, with a special emphasis on cuisine.

"Food has been important to humankind throughout its history. Sharing meals brings people closer together. If tourists enjoy this experience in Greece, they will want to return," says Mr. Skoulas.

The truth is that Greek cuisine, whether served in simple local taverns or in fine restaurants, has much to offer foreigners and locals alike. The flavors of the tradi-

What does that mean exactly?

"Greek olive oil in the dishes — plus other Greek products that are not only delicious, but really pure — must be used," says Mr. Skoulas. "All of these are served in the traditional way. At the end of the meal, coffee is enjoyed straight from the brik. The aim is to convince restaurateurs that cuisine is as much a part of Greek culture as the monuments or beaches that tourists flock to experience."

Companionable meal

Perhaps most important of all is the hospitality that is a major part of the Greek gastronomic experience, whether at home or in a restaurant. It is unthinkable to a Greek not to offer a guest something to eat and to drink. The first inns in Europe were in Greece, in Macedonia, along the pilgrims' routes as they made their way toward the Holy Land in the Middle Ages. The travelers needed somewhere to stop, rest, eat.

Offering a meal is a serious affair in Greece. So intertwined is the notion of hospitality that the Greek word for companion derives from the notion of partaking in a common meal with another person. To share food is the ultimate expression of civility for a Greek.

The newfound interest in preserving, developing and showcasing traditional and regional Greek cuisine marks a significant change for the better. It's as though the aromas of the Greek pot had suddenly escaped, enticing Greeks and foreigners alike to take a second look at the culinary heart of the Mediterranean.

Greek cuisine is the Mediterranean's best-kept secret, but it is finally coming to the fore. ●

How can food look this mouth-wateringly good... and actually be healthy? The answer: It's Greek.

Fresh seafood comes from the surrounding seas.

Grape leaves are a savory Greek staple.

Escargots are not just for the French.

An Unusual Holocaust Film Is a Controversial Hit in Italy

By Ruth Ellen Gruber

ROME—The big box-office hit in Italy this season has been a movie about the Holocaust, by one of the country's favorite comedians. "La Vita e' Bella" (Life Is Beautiful), directed, co-written and starring the Tuscan comic Roberto Benigni, packed in the audiences in movie houses up and down the peninsula with its story of love, suffering and survival.

But it also sparked heated debate on talk shows and in the press about the legitimacy, wisdom—or good taste—of making a film about the Shoah that also makes people laugh.

The film, said an article in the Rome daily Il Messaggero, "has become a sort of metal detector, whose alarm bell signals ideas, defects, goodness, hypocrisy or wickedness in people's DNA."

In the Tuscan town of Arezzo in the late 1930s, Guido, an Italian Jew played by Benigni, who is not Jewish, falls in love with, courts and marries a non-Jewish woman—flamboyantly stealing her away from a Fascist fiancé.

They have a son and form a happy family. Without warning, Guido and the 5-year-old son are deported by German occupiers to a Nazi death camp. The mother demands—and is allowed—to be deported with them. Mother and son survive. Guido does not.

Benigni's account of how the son makes it through the horrors of the death camp is the crux of the film—and of the controversy surrounding it.

What Benigni does in "La Vita e' Bella" is to chronicle the desperate course Guido takes to ensure that his little boy makes it, and makes it with as little pain as possible. This course entails convincing the child that the deportation, the death camp, all the horrors around them are obstacles to surmount in a strange, exciting game.

'Ragtime': An Utterly Resistible Musical

By Ben Brantley
New York Times Service

NEW YORK—Blessed with beauty, ambition, a smashing wardrobe and a social conscience, "Ragtime" would seem to be the kind of musical that brings Broadway audiences to their knees in adoration. Then why does this \$10 million show, which just opened at the new Ford Center for the Performing Arts, feel so utterly resistible?

Sitting through this heavily publicized adaptation of E.L. Doctorow's 1975 novel about turn-of-the-century growing pains is like meeting someone on the basis of a promising lonely-hearts ad. It's not that your date doesn't match the adjectives from the glamorous self-description. But face to face, you discover there is just too much chemistry.

There is much to admire in "Ragtime," from its images of hand-tinted daguerotypes brought to exquisite life to the electric presence of its leading man, Brian Stokes Mitchell, as the black revolutionary Coalhouse Walker. But there is finally little to fall in love with.

Conceived to inaugurate the Ford Center by Livent Inc., the Canadian production company that brought "Show Boat" back to Broadway several years ago, the production has a correspondingly commemorative quality. A panoramic look at the beginning of this century from the perspective of its end, it often has the feeling of an instructional diorama in a pavilion at a world's fair.



Brian Stokes Mitchell as Coalhouse Walker in "Ragtime."

Despite its bemused, ironic tone, what came across most piercingly in Doctorow's novel was the vertigo of a world whose bottom was falling out of the exciting danger in the shaking of class and sexual mores. But this sanitized "Ragtime" has no place for sex, even turning Nesbit from a disturbing,

erotic presence into a harmless Marilyn Monroe-like cartoon.

BOOKS

THE WORLD MORE OR LESS

By Jean Rouaud. Translated by Barbara Wright. 218 pages. \$22.95. Arcade.

Reviewed by Richard Bernstein

JEAN ROUAUD became a living legend in France a few years ago when he transformed himself from newspaper-kiosk vendor to winner of the Goncourt Prize with his first novel, translated into English as "Fields of Glory."

The time appears to be the '60s, perhaps early '70s, though it is never specified. The story takes its teller through reluctant efforts on the soccer field; we see him enduring the cruelties of an all-boys Catholic school called Saint-Cosmes; we watch as he is absorbed by fringe politics, sex and what we used to call "art" films. The results are both amusing and haunting.

Rouaud's narration is an exercise in hyperawareness; it is a vision of a world magnified in the dewdrops of an extreme sensibility.

What is most striking about Rouaud is not so much his story as the richly original, inventive manner of its telling. The prose is perfumed, ornate, ruefully comic, unfailingly witty. It produces many passages like this one, in which the narrator describes the sadistic impulse of a teacher at Saint-Cosmes to pick on a pupil whom he assumes does not know the material at hand:

"He tries to make himself inconspicuous behind a classroom's back, keeping his head down behind the hinged top of his desk, trusting in a miraculous isochronism that will make him merge into the wood, while the authority sends a sweeping glance across the whole class in search of a choice victim, well and truly ignorant, nice and ripe, without for a moment dreaming that this ignorance may actually be partly due to him."

One of the more affecting passages in "The World More or Less" comes when the schoolboy narrator is asked to accomplish one of the standard tasks of a French education, to write an essay about a Sunday in the country. He does not, about the usual subjects—"I do odd jobs with Grandfather, I go fishing with Grandmother, I look for birds' nests with my cousins"—but about what he actually did on Sunday afternoons, visit the grave of his prematurely dead father.

What follows is a brilliant and meticulously detailed account of the journey to the cemetery, everything from the "schistose-stone wall crowned with self-propagating plants" to the class distinctions evident in tombstones, to compensatory denials of the decomposition of the flesh. But the essay is deemed a failure by the professor of composition on the grounds "that I hadn't really dealt with the subject (in case you've forgotten: describe a Sunday in the country)."

This brings us to the affecting heart of Rouaud's slender recollection, which no doubt was received so warmly by the French because of the way that it seems rooted in an identifiable Frenchness, the losses of the wars, the bleak shores of the Loire-Atlantique.

As Rouaud's young man is made to stand on an ironical podium to receive his placement at the bottom of his class, he glances, through his thick lenses, to the nearby sea, which makes him "feel that your interior is total, that even the ocean is hostile to you because in one fraternal act it could easily submerge Saint-Cosmes, it could extract one mighty breaker from that useless liquid mass and put an abrupt end to your calvary."

BEST SELLERS

Fiction			Nonfiction		
Title	Author	Weeks on list	Title	Author	Weeks on list
1 COLD MOUNTAIN, by Charles Francis		28	1 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berns		183
2 THE WINNER, by David Balderson		7	2 ANGELA'S ASHES, by Frank McCourt		70
3 CAT & MOUSE, by James Patterson		9			
4 A CERTAIN JUSTICE, by P.D. James		4			
5 THE GHOST, by Danielle Steel		2			
6 THE GOD OF SMALL THINGS, by Arundhati Roy		9			
7 THEN CAME HEAVEN, by LeVay		14			
8 THE LETTER, by Richard Paul Evans		6			
9 MEMOIRS OF A GEISHA, by Arima Golden		15			
10 SURVIVAL OF THE FITTEST, by Jonathan Lethbridge		7			
11 ANOTHER CITY, NOT MY OWN, by Dominick Dunne		13			
12 THE CHRISTMAS BOX, by Richard Paul Evans		5			
13 UNDERWORLD, by Dan Wells		17			
14 VIOLIN, by Anne Rice		5			
15 THE COUNTRYDOWN, by Robert Ludlum		12			

3 INTO THIN AIR, by Jon Krakauer
4 CITIZEN SOLDIERS, by Stephen E. Ambrose
5 THE FIRST STORM, by Sebastian Junger
6 THE MAN WHO LISTENS TO HORSES, by Monty Roberts
7 TUESDAYS WITH MORRIE, by Mitch Cullin
8 THE MILLIONAIRE NEXT DOOR, by Thomas H. Stanley and William D. Danko
9 CONVERSATIONS WITH GOD, Book 1, by Neale Donald Walsch
10 THE DARK SIDE OF CAMELOT, by Seymour Chwast
11 TALKING TO HEAVEN, by James Van Praagh
12 DIRTY JOKES AND LIES, by Drew Carey
13 THE CELESTINE PROVISION, by James Redfield
14 ELANA: Her True Story, by In Her Own Words, by Andrew Morton
15 THE ROYALS, by Kiley Reid

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THE WORLD'S DAILY NEWSPAPER

A Composer's Quick Rise

By K. Robert Schwarz
New York Times Service

NEW YORK—American composers of "serious" music labor invisibly in a country enthralled by popular culture. Only a lucky few achieve fame outside the classical-music ghetto.

Philip Glass and Steve Reich did so two decades back, and 10 years ago the younger generation already included many worthy candidates: Michael Torke, Aaron Jay Kernis, David Lang, Tobias Picker and Julia Wolfe.

But perhaps that was never Danielpour's intention. "For me style is not the issue," he said. "It's how well a piece is written on a purely technical level. If other composers see themselves as superior just because their music may be more 'original,' that's O.K. That's not what I'm about."

CROSSWORD

ACROSS

- 1 Wacky
- 2 Takes home, after size
- 3 Summit
- 4 Lay down the law
- 5 Repeated
- 6 Gunk
- 7 Varies
- 8 Once more
- 9 Puddinglike
- 10 Arts supporter
- 11 Prefix with -master
- 12 Doctrine
- 13 Brink
- 14 Leader involved in 70's shuttle diplomacy
- 15 Park
- 16 Corbin bleu's phrase
- 17 Bomb at a comedy club
- 18 F.E.C. concern
- 19 Repute
- 20 Al. Jolson classic
- 21 Typist's purchase
- 22 "Am-bare?"
- 23 Dig it
- 24 New Deal fig.
- 25 Wranglers, e.g.
- 26 Yanks' alias in W.W.II
- 27 Tough-talking coach
- 28 "From — to Mozart" (1980 film)
- 29 "Vamoose!"
- 30 Parison hot spot
- 31 "I — hammer"
- 32 Didn't just pronounce
- 33 Pottery
- 34 11-Down, e.g., to Henri
- 35 Colorings
- 36 Oklahoma city
- 37 Attention-getters
- 38 Contest submission
- 39 Lip
- 40 Middle of the Rockies
- 41 Benny Goodman #1 hit
- 42 Particularly: Abbr.
- 43 Conform
- 44 Some RGA's
- 45 Ring spot
- 46 Not known from
- 47 Secretly watch
- 48 Profr' helpers
- 49 Rehearse
- 50 60's cigar pitchman
- 51 Adams
- 52 European boundary river
- 53 Do Zan
- 54 April celebration
- 55 1959 Kingston Trio hit
- 56 Pargola
- 57 Letter letters
- 58 Gridlock
- 59 Cheshire Cat, notably
- 60 Goldspoke creature
- 61 Nineveh's locale
- 62 Mounts
- 63 "Ode to Psyche" poet
- 64 Not settled
- 65 Bone: Prefix
- 66 — reflection
- 67 Solemn time
- 68 Has a mortgage
- 69 Boogie and But-head sound

DOWN

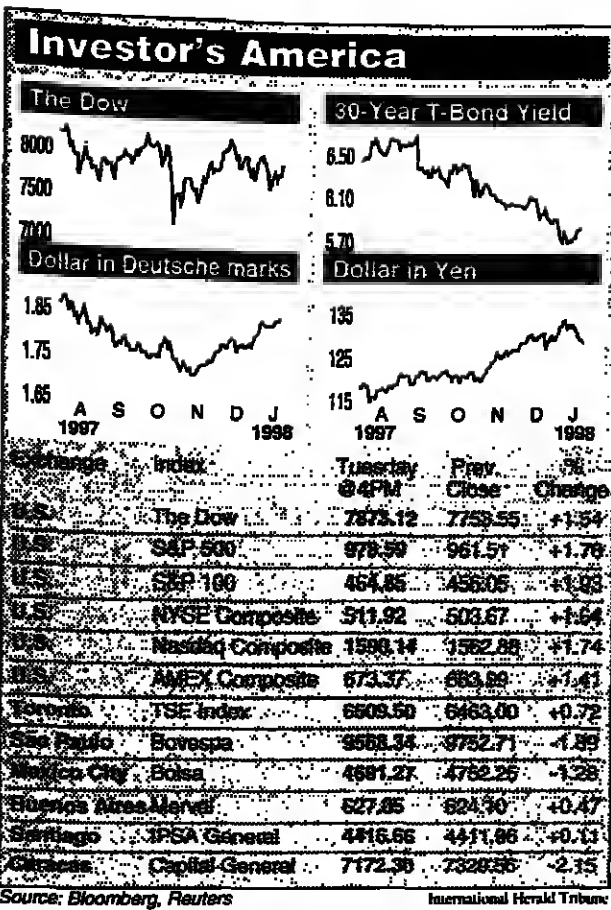
- 1 Results of blizzards
- 2 Light show
- 3 Highly embellished
- 4 Guard
- 5 Jumble
- 6 Fiber source
- 7 Verve
- 8 "Put — on it"
- 9 Gossipy Barret
- 10 Texas college athlete
- 11 Results of blizzards
- 12 Light show
- 13 Highly embellished
- 14 Guard
- 15 Jumble
- 16 Fiber source
- 17 Verve
- 18 "Put — on it"
- 19 Gossipy Barret
- 20 Texas college athlete

Solution to Puzzle of Jan. 20

ELISA AJAR RILEY
DIALA JANE EVKOE
TIER LINK LEVIE
THE MAJOUIS
SEPIA DERMA SPS
FREE TAN TIA
TAFT LAP THONG
OOOE KNEAD ORSO
RHOOA AOO RYES
SOD PIG AMMO
ORG ALARM ASSET
HEORKEEVECKLE
LOATH ELEA OILE
UNITE NAVY PIEL
GENUG AXES EDIA

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THE AMERICAS



Brazil Gives Its Currency Room to Slip

By Mitchell Martin
International Herald Tribune

NEW YORK — A weakening currency forced Brazil to change the trading band in which its currency is permitted to fluctuate against the dollar on Tuesday, an effective devaluation of the real.

The central bank changed the band it targets for the dollar to 1.12 to 1.22 real, Bridge News reported from Sao Paulo, up from the 1.05-to-1.14 real range that had been in place since February 1997.

At 4 P.M. in New York, the dollar was quoted at 1.1201 real, up from

FOREIGN EXCHANGE

1.1196 real Monday. Brazil has been allowing its currency to depreciate at a rate of about 7.5 percent a year, but because of the economic turmoil in Asia, the real has actually been considered overvalued, said James Barrianeux, a senior analyst at Salomon Smith Barney.

Mr. Barrianeux added that the shift of currency bands was meant as a signal that the government was sticking to its economic plan. He added that an interest-rate increase late last year was likely to slow economic growth for the first half of 1998, which would reduce the country's appetite for imports and help maintain the value of its currency.

With the events in Asia putting pressure on the economies of developing countries around the world, Mr. Barrianeux said the concern among investors was that Brazil would be pressured to allow a more rapid devaluation than the 7.5 percent target. Although this would be good for its exporting companies, it would hurt foreign investors and harm the purchasing power of Brazilians before elections this year, he said.

Dollar Falls Against Yen

The dollar eased against the yen on hopes that the Japanese government was ready to take action to rescue the sagging economy, Market News reported from New York.

But analysts said concrete action from Japan would have to come soon to keep the yen supported.

The dollar fell to 128.495 yen in 4 P.M. trading from 129.250 yen Friday. It edged up to 1.8395 Deutsche marks from 1.8330 DM and to 6.1575 French francs from 6.1415 francs, but it slipped to 1.4958 Swiss francs from 1.4977. The pound rose to \$1.6270 from \$1.6335.

Asia Lands on Bottom Line at Big U.S. Banks

Compiled by Our Staff From Dispatches

NEW YORK — Big U.S. banks said Tuesday that they had been hurt in the fourth quarter by the financial crisis in Asia, as trading and foreign exchange losses hit their bottom lines.

J.P. Morgan & Co. took the hardest hit, with earnings falling to \$271 million in the quarter from \$419 million a year ago. The results were far below analysts' expectations, and the company's stock fell \$1.625 to close at \$105.25.

Morgan said regular payments were not being made on about \$587 million in loans to Asian entities.

Citicorp announced that \$250 million had been shaved off its quarterly income.

"It was anything but a normal quarter," said the firm's chairman, John Reed.

While the bank's profit rose to \$1.06 billion from \$987 million a year earlier, Citicorp had huge one-time gains from the sale of investment

securities and redemption of venture capital.

"Discretionary gains covered up what could have been a disappointing quarter," said George Salem, a bank analyst at Gerard Klauer

Marston & Co. "Asia hit them pretty good."

Citicorp's shares fell 75 cents to end at \$119.125.

Chase Manhattan Corp., the biggest U.S. bank, said it earned a net \$874 million in the quarter, up from \$836 million a year earlier, but that operating profit fell because of lower trading income. The bank did not give details about its exposure to Asia.

Chase said it had a loss of \$78 million from trading, compared with a gain of \$286 million a year earlier. It also said its credit costs had risen 15 percent, to \$208 million.

The bank's shares were up \$1.5625 at the close, at \$107.0625.

In Asia and other emerging markets, U.S.

institutions are among the largest dealers and traders in derivatives, which are used to hedge or speculate in foreign exchange and other markets. The value of these instruments can fluctuate wildly when markets go awry, as they have in Asia and elsewhere in recent months.

(Bridge News, AP, Bloomberg)

Moody's Sours on European Banks

Moody's Investors Service Inc. said that more European banks could see their credit ratings put on review or lowered, particularly if the effects of the Asia crisis broaden further.

Agence France-Presse reported from Paris.

"The process of assessing the impact of the East Asian crisis on Europe's financial institutions is still going on, and further rating actions are possible, especially if the ramifications of the crisis broaden further,"

Moody's said.

Pharmaceuticals Give the Market a Shot

Compiled by Our Staff From Dispatches

NEW YORK — A round of strong earnings and expectations for consolidation in the pharmaceutical industry sent the stock market sharply higher Tuesday.

The Dow Jones industrial average closed with a gain of 119.57 points at 7,075.12, and the Standard & Poor's 500 index ended 17.08 points higher at 678.59. Gaining issues outnumbered losing ones by a 9-to-5 ratio on the New York Stock Exchange.

Drug stocks surged after Smith-Kline Beecham said it was discussing a possible merger with American Home Products, which finished 12 3/4 higher at 93 1/16.

"Even though drug companies are quite large in size, they are not immune to takeover bids," said Al-

fred Kugel, senior investment strategist at Stein Roe & Farnham.

He named Warner-Lambert as a possible acquisition target. "I wouldn't sell a share of it," he said.

Warner-Lambert rose 9 3/16 to

U.S. STOCKS

close at 138 5/16. Merck led the Dow higher, rising 6 1/4 to 115 1/4.

Pfizer rose 3 3/4 to 80 3/4, getting an added lift from strong earnings. The company said fourth-quarter net income rose to \$558 million from \$504 million a year earlier because of higher sales of anti-cholesterol and heart drugs and an antibiotic.

Transportation stocks also were strong after Northwest Airlines and Continental Airlines reported strong

earnings. Northwest rose 3/4 to 52 3/4 after reporting net profit of \$105.4 million in the fourth quarter, up from \$26 million a year earlier.

Cost-cutting and higher revenue lifted the bottom line.

Continental rose 3/4 to 52 3/4 after reporting a 55 percent profit increase, to \$75 million.

IBM led technology shares higher, rising 2 1/2 to 107 1/2 on expectations for the company to report strong earnings. After the close, IBM said it earned a net \$2.1 billion in the fourth quarter, up from \$2 billion a year earlier. Revenue rose 3 percent, but it would have risen 8 percent if the rising dollar had not eroded the value of sales abroad.

Lucent Technologies rose 5 1/2 to 80 13/16. The company said its net

profit fell to \$792 million from \$859 million, mostly because of a \$437 million charge for the acquisition of Livingston Enterprises. Without the charge, the company's results beat analysts' expectations.

Hilton Hotels rose 15/16 to 31 9/16 after the company said its operating profit rose to \$63 million from \$49 million a year earlier as strong demand for hotel rooms allowed it to raise rates.

But financial stocks were a weak link after some of the biggest U.S. banks and brokerages offered more evidence that the worst of Asia's economic crisis may not be fully realized. J.P. Morgan, Merrill Lynch and Citicorp all said the Asia crisis had clipped profits.

"Down the road, it's going to be hard for many of these companies to have the earnings growth that they used to," particularly banks and brokerages, said Elizabeth Miller, a portfolio manager at Trevor Stewart Burton & Jacobsen.

"Declining interest rates, which have been good for that sector, won't be enough," she added.

In the Treasury bond market, the price of the benchmark 30-year issue was down 10 3/2 point, taking the yield up to 5.83 percent from 5.84 percent Friday.

Philip Morris fell 1 1/16 to 43 3/4 as Minnesota's trial of tobacco companies began. The trial could be the first legal showdown over public money spent on smoking-related illnesses; three other states have settled cases out of court. RJR Nabisco Holdings fell 15/16 to 35 7/16.

(AP, Bloomberg)

St. Paul to Absorb USF&G in Stock Swap

The Associated Press

ST. PAUL, Minnesota — St. Paul Cos. said Tuesday that it had agreed to buy USF&G Corp. of Baltimore in a \$3.5 billion deal that will create the eighth-largest property-casualty insurer in the United States.

The companies are calling the deal a merger.

But the new entity will be called St. Paul Cos. and will continue to be based in St. Paul.

St. Paul's chief executive, Douglas Leatherdale, will remain as its chairman and chief executive officer.

About 1,500 to 2,000 of the two companies' combined 16,500 jobs will be eliminated because of overlap, the companies said.

Mr. Leatherdale said that the majority of the job cuts will probably be made in Baltimore, but that the new company is expected to remain "an employer of significance" there.

The deal will increase St. Paul's assets to about \$36 billion, from \$21 billion. The combined company will have at least \$9 billion in revenue.

"We certainly expect this will provide us the platform to be one of the major survivors in this in-

dustry," Mr. Leatherdale said. "It gives us the size to compete in a highly competitive marketplace."

St. Paul Cos., the nation's 13th-largest property-casualty insurer, will swap its stock for that of USF&G, the 22nd largest.

In late trading Tuesday, shares in St. Paul Cos. were up \$5.75 to \$83.875. USF&G shares were up \$2 at \$23.4375.

The new company might also continue to use the USF&G corporate name for certain products or corporate divisions, St. Paul officials said.

"Declining interest rates, which have been good for that sector, won't be enough," she added.

In the Treasury bond market, the price of the benchmark 30-year issue was down 10 3/2 point, taking the yield up to 5.83 percent from 5.84 percent Friday.

Philip Morris fell 1 1/16 to 43 3/4 as Minnesota's trial of tobacco companies began. The trial could be the first legal showdown over public money spent on smoking-related illnesses; three other states have settled cases out of court. RJR Nabisco Holdings fell 15/16 to 35 7/16.

(AP, Bloomberg)

AMEX

Tuesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock Sales High Low Last Chg

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U. S. STOCK MARKET DIARY

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EUROPE

EU Authorities See Concession From Microsoft

Compiled by Our Staff From Dispatches

BRUSSELS — Microsoft Corp. might amend exclusive contracts with European Internet service providers in response to antitrust complaints, the European Union's top competition official said Tuesday.

The EU announced in October that it was investigating the company's marketing arrangements with the service providers.

Karel Van Miert, the Union's competition commissioner, said he expected a written pledge from Microsoft to alter contracts tying 24 Internet providers to the company's Explorer software, which allows users to browse the Internet.

"Microsoft seems prepared to offer, in due time, remedies so it won't be necessary for the commission to bring the case to a final decision," he said.

John Frank, legal counsel for Microsoft Europe, confirmed that the company would change its contracts with the service providers to meet EU competition concerns.

Antitrust authorities in the United States are investigating Microsoft's alleged practice of forcing computer makers to include Explorer as a condition of licensing Windows 95.

(Bloomberg, Reuters)

Asia Crisis Hurts Europe by Slowing Exports

By Edmund L. Andrews
New York Times Service

FRANKFURT — Asia's financial crisis is starting to affect Europe, slowing down exports of everything from heavy machinery to telephones and worsening what were already gloomy prospects for reducing joblessness this year.

Though the ultimate magnitude of Asia's impact remains a guessing game, the trouble signs have been proliferating, and analysts are hastily trimming predictions of economic growth that they made as recently as Christmastime.

The new problems come at a bad time. Booming exports have been the only bright spot for Germany and France, Europe's two biggest economies, and government leaders there have been counting on exports to fuel the first solid economic growth in years. Any slowdown would be likely to add to unemployment, which, at well over the rate in the United States, is running at record levels in Germany and France.

Joblessness is the biggest political problem for both Prime Minister Lionel Jospin of France, the Socialist who was forced to use riot police last week to subdue protesters at unemployed workers, and Chancellor Helmut Kohl of Germany.

To the surprise of many economists, the ranks of Germany's unemployed jumped by a further 200,000 people last month, to 4.5 million, or 11.8 percent.

Economists said European companies were being hit in at least

two ways. The first was through reduced exports to Asian countries, because devaluations of Asian currencies had abruptly eliminated much of their buying power and the slowdown had already led several Asian countries to put off planned development projects. Still, Southeast Asia accounts for less than 5 percent of European exports.

The second and potentially more serious impact is in the form of price

pressure. Because Asian currencies have fallen sharply in value, products from such countries as South Korea are far more competitive in world markets. That makes it difficult for European or American companies to raise prices, at home or abroad, and is likely to dampen the appetite for investment and spending.

The impact has already shown up at some companies.

Deutsche Telekom AG added \$412 million to its provisions Friday to cover possible losses on investments in Southeast Asia. The German telephone giant owns stakes in telecommunications companies in Malaysia, Indonesia and the Philippines.

Airbus Industrie, the European aircraft consortium, has been trying to collect money from Garuda Indonesian Airways for three airplanes the

carrier ordered. Airbus officials said Garuda had paid for and received six of nine aircraft that it ordered several years ago. But in December, Garuda failed to come up with \$8 million in payments on the three planes that remain to be delivered.

The South Korean conglomerate Daewoo Corp. last week suspended plans to construct a pair of factories in northern France that would have created about 1,000 jobs. Separately, a

Beyond anecdotal evidence, economists see statistical signs that the effects of the Asian crisis are spreading, as analysts trim growth predictions.

government-industry commission in South Korea has recommended delaying completion of a high-speed train line, raising fears that part of a \$2.1 billion contract for the French-British builder of the TGV trains, GEC Alsthom, could be in jeopardy.

Salomon Smith Barney estimates that it might lower its credit ratings on two big French banks and several other European banks. All of these banks have big portfolios of Asian loans, though several said that their potential losses were small if not negligible and that the warnings were unnecessary.

[Salomon Smith Barney estimates that European banks have outstanding loans to troubled Asian nations equaling 2 percent of the European nations' gross domestic product, while U.S. banks have lent the equivalent of 0.4 percent of GDP,

the Washington Post reported.] Beyond anecdotal evidence, economists say there are statistical signs that the effects of the Asian crisis are spreading. Salomon Smith Barney has trimmed its growth estimate for the 11 European Union member countries that are expected to form the single European currency, the euro, next year to 2.6 percent from about 3 percent.

Analysts said Germany could feel the biggest impact because it had always been a big exporter of heavy machinery and capital equipment — precisely the kind of products used in the big government-sponsored development projects that Asian countries are delaying or canceling.

A hint of trouble came this month when Bonn reported that the volume of foreign orders for German goods had declined substantially for the second consecutive month. After soaring more than 20 percent through last August, as a surge in the dollar made German products cheaper in many markets, foreign orders declined by 3.7 percent in October and 2.9 percent in November.

UBS Securities, in a report headlined "Asia Bites," revised its economic forecast for Germany, predicting that exports and profitability in general would be hurt by the Asia crisis.

"Undoubtedly, Germany's share in global exports will suffer," said Ralf Kugelstadt, a UBS economist in Frankfurt.

Nonetheless, the Asian troubles are not expected to derail Europe's plan for the euro to be introduced Jan. 1.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
4500	5400	3100
4100	5300	2900
4000	5150	2800
3900	5000	2700
3700	4850	2600

Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam AEX		953.21	948.85	+0.35
Brussels BEL-20		2,517.49	2,510.60	+0.27
Frankfurt DAX		4,307.91	4,284.94	+0.54
Copenhagen Stock Market		700.59	701.82	-0.18
Helsinki HEX General		3,464.72	3,444.55	+0.59
Oslo OBX		666.03	656.48	+1.45
London FTSE 100		5,278.20	5,273.60	+0.09
Madrid Stock Exchange		682.08	675.56	+0.97
Milan MIBTEL		18485	18274	+1.15
Paris CAC 40		3,068.34	2,986.95	+0.72
Stockholm SX 16		3,254.21	3,244.95	+0.29
Vienne ATX		1,320.26	1,288.44	+2.47
Zurich SPI		3,963.05	3,932.35	+0.78

Source: Telekurs

Very briefly:

• Dierker-Werke AG expects to post a 1997 loss because of reorganization costs at its U.S. subsidiary, Narco, and losses in Asia. But the German maker of fireproofing materials still plans to pay a dividend of 2 Deutsche marks (\$1.09) for the year, unchanged from 1996.

• ABB Asea Brown Boveri Ltd. won a \$660 million order to build a power plant in Taiwan, raising hopes that the Swiss-Swedish industrial company will be less affected by Asia's upheavals than investors had feared.

• Scandinavian Airlines System bought 100 percent of Air Botnia of Finland to try to strengthen its presence in that country. The price was not disclosed.

• The European Union's competition commissioner, Karel Van Miert, said he was near an agreement with British Airways PLC and AMR Corp., parent of American Airlines, on the amount of access to London's Heathrow Airport they should give up to win EU approval of their planned alliance.

• The European Commission plans to investigate the merger of accounting firms KPMG Peat Marwick and Ernst & Young in parallel with a full inquiry into a rival alliance between Price Waterhouse and Coopers & Lybrand.

• Daimler-Benz Aerospace AG's chief executive, Manfred Bischoff, said he expected the restructuring of the Airbus Industrie consortium into a limited-liability company to be completed on time by the start of 1999. The European jet-making group also includes Aerospaciale of France, British Aerospace and Construcciones Aeronauticas SA of Spain.

• Barclays Bank PLC plans to reorganize its businesses by April into four divisions: retail financial services, corporate banking, investment banking and asset management.

• Britavia's total production of passenger cars last year rose by 11,332 to a record 1,697,966, and the proportion of output allocated for exports rose to 57 percent from 54 percent in 1996.

Bloomberg, Reuters

Reduced Raises Buy a No-Layoff Pledge at Opel

Compiled by Our Staff From Dispatches

RUESSELSHEIM, Germany — Adam Opel AG pledged Tuesday to lay off any workers for five years in return for lower-than-expected raises, but the German unit of General Motors Corp. said it would trim 4,000 jobs through attrition.

Employees agreed to forgo 1.25 percentage points of already agreed-upon pay increases during the period in return for the no-layoffs deal through 2002. For example, their 2.5 percent raises this year are to be halved. In exchange for the job cuts, which represent about 9 percent of GM Opel's 46,200-member German work force, Opel said it would

spend 1.2 billion Deutsche marks (\$651 million) to update production facilities at two sites in Germany.

"This is a contract that gives employees a clear perspective and higher job security," said David Herman, Opel chief executive.

GM is trying to stop a decline in its profit in Europe, where the U.S. automaker had a loss of \$21 million in the third quarter of 1997 even as German automakers reported record profits. GM last year began looking for ways to cut costs at its Opel and Vauxhall units, in part to pay for a \$2.7 billion plan to expand in Asia.

unit and Europe's second-largest carmaker, needs to cut costs to more effectively compete with Volkswagen AG, Europe's largest carmaker, which is bringing new models out faster and more cheaply than its U.S.-owned rival.

Opel's employee representative, Rudolf Mueller, said it was difficult for workers to accept a lower raise. He said the concessions would save the company \$28 million a year.

"We've seen agreements like this before, from Ford, Mercedes and Volkswagen," said Klaus-Juergen Melzer, an analyst at Deutsche Morgan Grenfell. "Opel is struggling behind other European auto-

makers in this regard. Opel certainly has to significantly improve its productivity and product quality."

The company and employees also agreed on arrangements to enable older workers to switch to part-time work at 85 percent of their full-time wages rate. Opel workers also said they would be more flexible in working in accordance with production demands and agreed to tie their Christmas bonuses to increases in absenteeism. In return, Opel plans to safeguard output in Ruesselesheim, Kaiserslautern and Bochum, and raise the hiring of apprentices by 15 percent.

(AP, Bloomberg, Reuters)

Snecma to Post Profit for 1997

Bloomberg News

PARIS — The French aircraft engine maker Snecma SA said Tuesday that it expected a net profit of slightly more than 500 million francs (\$81 million) for 1997, its first profit in seven years.

Sales rose 23 percent, to 23 billion francs, as the company benefited from a surge in aircraft sales. The state-owned company, which equips Airbus Industrie and Boeing Co. planes, also said that it anticipated stronger sales and profit in 1998.

WORLD STOCK MARKETS

Tuesday, Jan. 20
Prices in local currencies.

Telekurs

High Low Close Prev.

Amsterdam

Index	High	Low	Close	Prev.
AEX	953.21	948.85	953.21	948.85
ASX	1,148.40	1,142.00	1,148.40	1,142.00
BSE	1,148.40	1,142.00	1,148.40	1,142.00
BOVESPA	1,148.40	1,142.00	1,148.40	1,142.00
CDAX	1,148.40	1,142.00	1,148.40	1,142.00
FTSE 100	1,148.40	1,142.00	1,148.40	1,142.00
HSE	1,148.40	1,142.00	1,148.40	1,142.00
IBEX 35	1,148.40	1,142.00	1,148.40	1,142.00
ISEQ	1,148.40	1,142.00	1,148.40	1,142.00
JPX	1,148.40	1,142.00	1,148.40	1,142.00
KOSPI	1,148.40	1,142.00	1,148.40	1,142.00
NYSE	1,148.40	1,142.00	1,148.40	1,142.00
OSAX	1,148.40	1,142.00	1,148.40	1,142.00
SEAX	1,148.40	1,142.00	1,148.40	1,142.00
SET	1,148.40	1,142.00	1,148.40	1,142.00
STOXX	1,148.40	1,142.00	1,148.40	1,142.00
TSE	1,148.40	1,142.00	1,148.40	1,142.00
WSE	1,148.40	1,142.00	1,148.40	1,142.00
YSE	1,148.40	1,142.00	1,148.40	1,142.00

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High Low Close Prev.

Amsterdam

	5530	5520	5580	5580
	1700	1650	1695	1695
	2020	8730	9135	9200
High	3785	3730	3755	3790
	2700	2650	2695	2730
	5000	4920	5440	5490
	4790	4660	4745	4750
	2110	2105	2125	2130
	4190	4050	4160	4160
	2015	1975	2025	2030
	1313	1266	1292	1270
	7620	7320	7590	7400
	2220	2210	2230	2230
	2645	2605	2620	2625
	6990	6710	6810	6760
	11350	11120	11310	11250
Low	14810	13910	14200	14050
	4855	4730	4845	4860
	2015	1960	2010	2010
Open	5530	5520	5580	5580
	1700	1650	1695	1695
	2020	8730	9135	9200
	3785	3730	3755	3790
	2700	2650	2695	2730
	5000	4920	5440	5490
	4790	4660	4745	4750
	2110	2105	2125	2130
	4190	4050	4160	4160
	2015	1975	2025	2030
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	2645	2605	2620	2625
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	11350	11120	11310	11250
	14810	13910	14200	14050
	4855	4730	4845	4860
	2015	1960	2010	2010
	5530	5520	5580	5580
	1700	1650	1695	1695
	2020	8730	9135	9200
	3785	3730	3755	3790
	2700	2650	2695	2730
	5000	4920	5440	5490
	4790	4660	4745	4750
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	2700	2650	2695	2730
	5000	4920	5440	5490
	4790	4660	4745	4750
	2110	2105	2125	2130
	4190	4050	4160	4160
	2015	1975	2025	2030
	1313	1266	1292	1270
	7620	7320	7590	7400
	2220	2210	2230	2230
	2645	2605	2620	2625
	6990	6710	6810	6760
	11350	11120	11310	11250
	14810	13910	14200	14050
	4855	4730	4845	4860
	2015	1960	2010	2010
	5530	5520	5580	5580
	1700	1650	1695	1695
	2020	8730	9135	9200
	3785	3730	3755	3790
	2700	2650	2695	2730
	5000	4920	5440	5490
	4790	4660	4745	4750
	2110	2105	2125	2130
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	5530	5520	5580	5580
	1700	1650	1695	1695
	2020	8730	9135	9200
	3785	3730	3755	3790
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ASIA/PACIFIC

Big Three Automakers Go Shopping for Deals in Asia

By Robyn Meredith
New York Times Service

DETROIT — The major U.S. automakers have been kicking the tires of auto companies in Asia.

Tempted by fire-sale prices brought on by the collapse of Asian currencies, by market-opening agreements being wrought by the International Monetary Fund and by a long-term desire to capture more of the Asian market, General Motors Corp. in particular has been looking for stakes to buy in struggling companies there.

"We're clearly getting more aggressive on it because there's more opportunity," said Donald Sullivan, president of GM's Asian and Pacific operations. "We're looking at selectively possibly taking pieces" of East Asian automakers, he said.

Ford Motor Co. and, to a lesser extent, Chrysler Corp., have also been exploring buying opportunities created by the crisis in Asia but have not moved as aggressively as GM.

Nevertheless, Ford's executives have already fanned out in Seoul, looking for opportunities. "We've been there," said John Devine, Ford's chief financial officer. "We're watching everything."

Chrysler, the smallest of Detroit's Big Three, has been closely watching the maneuvering from the sidelines while continuing to expand in South America instead. "We're a little more cautious than our competition" about the opportunities in Asia, said Thomas Stallkamp, Chrysler's president.

Long before the current economic troubles, GM and Ford each developed strategies to capture 10 percent of the East Asian market during the next decade. Only a year ago, their goals looked stubbornly optimistic in markets where Japanese automakers already had established strong footholds. The American automakers planned to grow by continuing to build new factories in the region.

But the Asian economic crisis presents an opportunity for the Americans to catch up quickly by buying or forming strategic alliances with the region's automakers.

Before the crisis began, few Asian auto or auto-parts makers were interested in being bought out, but now many are motivated sellers. Some are bankrupt, others are short of the money they need to keep running their businesses, and still others are increasingly worried that their home markets are evaporating as consumers flee showrooms.

All are cheap in dollar terms, now that

currencies across the region have plunged in value over the past several months.

It doesn't hurt that American auto companies have been stashing away cash in preparation for the next economic downturn in the United States. At the end of the third quarter, GM had \$14.6 billion in cash and marketable securities, Ford had \$19.3 billion, and Chrysler had \$7.6 billion.

Already, GM has confirmed it has held talks with Daewoo Motor Corp. of South Korea, and Ford is weighing how to best protect its 9.4 percent stake in Kia Motors Corp., another Korean automaker.

So far, Ford has not considered taking over Kia, said Alex Trotman, Ford's chairman and chief executive officer. "We haven't been deeply involved in how Kia is restructured," Mr. Trotman said. "Our interest really is to protect our 9.5 percent share." Ford also owns 33 percent of Mazda Motors Corp., which holds a further 7.5 percent of Kia.

Chrysler is continuing its cautious tack in Asia. In the past few years, Chrysler has favored increasing its investments in South America rather than in Asia because of concerns about the difficulties of doing business in Asia, with its heavy import restrictions and other policies that favor local automakers.

Indeed, the IMF has been struggling to persuade Asian leaders to drop some protectionist policies and has recently made progress. As part of its package of aid, South Korea has agreed to drop some trade barriers. And after months of resistance, President Suharto of Indonesia agreed, as part of a deal with the IMF this month, to drop tax breaks for a car program run by his son.

Automakers have responded to the political changes. GM said Friday it would make new investments in Indonesia now that Mr. Suharto had agreed to drop the tax exemptions.

This month, GM bought out Mr. Suharto's half-brother Bapak Probosutedjo's 40 percent stake in General Motors Buana Indonesia, which builds vehicles there. "The purchase reflects GM's commitment to Indonesia and its confidence in the long-term prospects of the automotive industry here," GM said.

But despite the current attractions of companies in Asia, there are still plenty of problems. Most of the potential takeover targets have enormous debt loads, expect their sales in the next year or two and have complicated ownership ties. And of course the region remains in financial chaos, which could worsen markedly or produce political instability.

Investor's Asia

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong Hang Seng		9,433.70	9,400.42	+0.35
Singapore Straits Times		1,296.91	1,327.18	-2.28
Tokyo Nikkei 225		2,639.40	2,650.70	-0.43
Sydney All Ordinaries		16,358.83	16,262.04	+0.64
Kuala Lumpur Composite		585.35	589.08	-0.63
Bangkok SET		413.79	420.72	-1.65
Seoul Composite Index		533.55	528.77	+0.90
Taipei Stock Market Index		7,907.68	7,847.82	+0.77
Manila PSE		1,773.96	1,771.89	+0.11
Jakarta Composite Index		448.04	439.09	+2.05
Wellington NZSE-40		2,257.45	2,236.73	+0.93
Bombay Sensitive Index		3,455.95	3,480.86	-0.72

Sources: Reuters International Herald Tribune

Hong Kong Telecom to End Its Monopoly 8 Years Early

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong Telecommunications Ltd. said Tuesday it would surrender its monopoly on international telephone calls eight years ahead of schedule in return for 6.7 billion Hong Kong dollars (\$866 million) in cash from the government and the right to raise rates on local calls.

For Telecom, which is controlled by Cable & Wireless PLC of Britain, the agreement ends years of uncertainty over its most profitable business. The payment, which it will receive in two installments, will enable it to expand in the region as its share of Hong Kong's market shrinks.

"With a more certain regulatory environment, Hong Kong Telecom can focus on developing its existing services," said the company's chief executive, Linus Cheung.

"Due to the recent financial turmoil, many attractive investment opportunities have arisen, and we're exploring these investment opportunities," he added.

Telecom's shares closed up 45 cents, at 15.60 dollars, in London, shares of Cable & Wireless closed up 7.5 pence, at 508.5 (\$8.32).

The agreement will open one of Asia's most crowded telecommuni-

cations markets by 2000 and brings Hong Kong into line with other regional governments that have deregulated their telephone markets in recent years.

"We expect increased competitiveness for Hong Kong," said Alex Arena, a consultant to the government and its former chief telecommunications policymaker.

Hong Kong consumers will save at least 17 billion dollars through 2006 as competition forces companies to cut prices, Mr. Arena said.

The agreement allows Telecom to raise monthly charges for residential exchange lines in stages from 1999, with all limits being lifted after 2001. Telecom executives skirted questions about the effects the loss of the international license would have on the company's bottom line but said they had long prepared for it.

This was why the company had been weaning itself away from reliance on revenue from international services and had diversified into other areas, they said.

"We've recognized that we will see the end of the monopoly," said David Prince, Telecom's finance director. "We have invested in our multimedia services, mobile-phone services." (Bloomberg, Reuters)



A GOLDEN EYE — A South Korean appraiser studying a ring turned in Tuesday in the country's gold-collection campaign. An estimated 100 tons of gold valued at more than \$1 billion was collected to help the country raise foreign currency.

Malaysia Ponders Rate Increase

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malaysia's interest rates may have to rise further to rein in credit growth, Finance Minister Anwar Ibrahim said Tuesday.

"There is certainly the possibility of an increase," Mr. Anwar said. "The option remains, and I think we have to accept the fact that the interest-rate policy is a necessary part" of containing excessive lending growth.

His comments were the first such official remarks since last week's visit by Michel Camdessus, managing director of the International Monetary Fund. The IMF chief said credit was growing too quickly and that higher rates were needed to arrest an increase in inflation after the ringgit's drop against the dollar.

Mr. Anwar declined to say how far or how fast interest rates would increase. The central bank has pushed interest rates higher in the past six months. The benchmark three-month interbank rate rose to 9.99 percent Tuesday from 9.52 Monday.

Mr. Anwar also said Malaysia would review its policy of awarding contracts for privatization projects through closed bidding instead of open tenders. The review represents another economic reform in response to the financial crisis that has forced Malaysia to defer many projects. (Bloomberg, AP)

Very briefly:

- Toshiba Corp. slashed its group pretax profit forecast for the year ending in March to 10 billion yen (\$78.2 million) from an earlier estimate of 95 billion yen, citing reduced growth in personal-computer sales, falling chip prices and declines in Southeast Asian currencies.
- Australia's 14 casinos had operating profits of 27.4 million Australian dollars (\$18.3 million) in the year that ended in June, down 86 percent from the year before, and some have warned that Asia's financial crisis could bring profits down further.
- Taiwan and Russia are expected to inaugurate direct shipping links before the end of the year in an effort to forge closer economic ties, a Russian official said.
- The Reserve Bank of Fiji announced an immediate 20 percent devaluation of the Fiji dollar in response to a "very weak" outlook for the economy. Before the announcement, local banks were quoting the Fiji dollar at 67 U.S. cents.
- Thailand approved setting up a state-owned commercial bank, Radhaasiri Bank PLC, and two subsidiaries to manage assets of 56 debt-ridden finance and securities companies that were closed by the government last year.
- South Korea will allow large companies for the first time to sell one-year bonds, to try to limit the damage from being required to issue longer-term bonds in a time of rising interest rates. (AFP, AP, Bloomberg, Reuters)

Tokyo Raps Sony Unit on Pricing

Reuters

TOKYO — Japan's anti-monopoly watchdog Tuesday ordered Sony Computer Entertainment Inc., a unit of Sony Corp., to stop controlling the retail price of software for its popular PlayStation games console.

The Fair Trade Commission said Sony Computer had violated Japanese law by requiring retailers to sell software for the PlayStation machine at a fixed price. A company spokeswoman said Sony Computer had not done anything wrong and would not accept the commission's order.

Tokyo Suspends Plans to Break Up Finance Ministry

Compiled by Our Staff From Dispatches

TOKYO — The governing Liberal Democratic Party and its two parliamentary allies suspended plans Tuesday to break up the Ministry of Finance that represented one of Prime Minister Ryutaro Hashimoto's top priorities.

The parties decided instead to let the ministry retain its role as supervisor of both the financial industry and the government's fiscal policies.

Key members of the governing party said in recent days that this would be the wrong time to act because the ministry was needed to help restore the health of banks and brokers after a series of bankruptcies. Still, the failure to curtail the ministry's power spells a step backward for Mr. Hashimoto's reforms, one analyst said.

"There's been growing concern that Hashimoto may not be capable of split-

ting the ministry, a core of his administrative reform program," said Yoshinori Iwasawa, an economist at Sumitomo Life Research Institute. "Today, we just confirmed it, and that's disappointing."

Support for the breakup mounted because the ministry was largely held responsible for the bad loans, bribery scandals and shrinking profits plaguing the financial industry.

Critics also accused it of pushing Japan nearly into a recession through its insistence that taxes be raised last year, a move that appeared to choke off an economic recovery.

On Tuesday, Japan's central bank said economic growth remained stagnant because of slack consumer demand. In its monthly report, the Bank of Japan also warned that the Japanese economy might suffer further from its trading

links with troubled Asian neighbors. Its prolonged sluggishness prompted the U.S. ambassador, Thomas Foley, to urge Japan to do whatever was needed to pull out of its economic slump.

"We believe a recovery in the Japanese economy is extraordinarily important not only for itself but to improve the general economic situation in Asia," Mr. Foley said. "There is a need for Japan to be an engine of growth."

Mr. Foley said he welcomed Japan's previously announced stimulative steps, including a one-time 2 trillion yen (\$154.7 billion) income tax cut, but urged it to consider doing more.

"We hope there will be consideration given, perhaps, in the future, to any other steps that may be deemed necessary to adequately move the Japanese economy forward," Mr. Foley said. (Bloomberg, Reuters)

Clinton Seeks Law To Ban Gene Bias

Los Angeles Times

WASHINGTON — The White House is asking Congress to protect Americans from workplace discrimination based on information gleaned from genetic testing.

The initiative, which was to be unveiled Tuesday by Vice President Al Gore, will be accompanied by a Clinton administration study suggesting that the potential for misuse of genetic information will rise significantly in coming years.

"While genetic technology increases the ability to detect and prevent health disorders, it can also be misused to discriminate against or stigmatize individuals," states a draft version of the report, titled "Genetic Information and the Work Force."

Administration officials said their goal in seeking congressional action is to increase public acceptance of the benefits of genetic testing by taking steps to assure Americans it will not be used against them.

Mr. Clinton already has endorsed pending congressional legislation that would prevent insurers from disclosing the results of genetic testing or increasing the cost of group insurance based on genetic information.

In 1996, Congress passed legislation prohibiting group health plans from using information obtained from genetic tests or other sources as a basis for denying or limiting coverage for individuals or charging them more.

The new legislation the White House will request would extend those protections into the workplace by prohibiting employers from using genetic testing data as a basis for discriminating against workers.

NET: Group Plans High-Speed Standard

Continued from Page 1

normal phone lines and would remain connected to the outside world at all times without the need to dial a service and without interfering with voice conversations over the same line.

Such lightning-quick access to cyberspace has traditionally been possible only in offices or over cable modems, which are available in few parts of the United States. Giving home users such fast access to the information highway could open the door to new sorts of services, including video over the Internet that approaches television quality.

The technology embraced by the consortium, known as digital subscriber line, or DSL, has been under development in the telecommunications industry for years but has been held back by a lack of agreement on technical standards.

Bell Atlantic Corp., which serves local telephone customers from Virginia to Maine, is the one regional Bell company that has shied away from the Compaq-Intel-Microsoft consortium. Sources said that Bell Atlantic was leaning toward a different standard. While the company has left the door open to joining the group, it has expressed reservations about how the consortium is run.

As computer users have become more sophisticated and as the Internet has become loaded with data-heavy graphics, traditional modems — the devices that enable computers to communicate over telephone lines — have not kept pace. The cable-television industry is pinning some of its hopes for growth on cable modems, which use cable networks to give users fast access to the Internet. But only about 100,000 people have signed up for cable modems so far, according to analysts, and the service is available to only about 10 percent of U.S. homes.

Most local telephone companies currently offer high-speed data lines. But many of those options, such as ISDN, or integrated-services data network, can be cumbersome and expensive and require

installation by a technician.

Microsoft has been particularly expert at playing both sides of the cable-telephone fence. Last year, it invested \$1 billion in Comcast Corp., the fourth-largest U.S. cable company and a partner of AT Home, a company that offers Internet access over cable lines.

For many years engineers and programmers believed that the copper wires that carried voice conversations could not compete with dedicated data networks in their ability to carry large amounts of digital information.

But in recent years, advances in electrical engineering have challenged that assumption. Some engineers today say that standard copper telephone wires can carry as many as 8 million bits of information a second, though the consortium is initially developing standards for modems that can carry only 1.5 million bits a second. A bit is the smallest amount of information a computer can process, either a zero or a one. Today's fastest standard modems are rated at 56,000 bits a second but are actually limited to transmitting 52,000 bits a second.

There are dozens of companies developing digital-subscriber-line products, though few follow the same standards. The Compaq-Intel-Microsoft consortium is relying in part on technology developed by a small Massachusetts company called Aware Inc., though the group has not finished developing its technical protocols.

Several local phone companies have already deployed the service in limited areas around the country. U.S. West Inc., for instance, unveiled a digital-subscriber-line service in the Phoenix area last October. The service there requires an installation fee of about \$200 and a monthly subscriber fee of at least \$40.

That is about the same price as an AT Home connection through Comcast in northern New Jersey, although cable modems can deliver higher speeds than 1.5 million bits a second.

Normal access to the Internet typically costs \$20 a month.

CLONE: U.S. Drug Agency Says It Will Hold Reins to Research

Continued from Page 1

cloning experiments. Moreover, an agency official said, given the disputes over cloning, the agency might require public hearings as it did last year while it was considering how to regulate the transplantation of animal organs into people.

"It should be done in the open," the official said. "Going through the FDA regulatory pathways, everyone has a say and we face our fears in public."

Scientific groups have become concerned that some of the U.S. legislation aimed at banning human cloning would preclude other kinds of research.

Last week, the Biotechnology Industry Organization, which represents about 750 biotechnology and academic research institutes, urged the government to assert its authority over cloning in the hope that Congress would not

rush into a broad research ban. ■ Researchers Clone Calves

Researchers said Tuesday that they had cloned two identical, genetically engineered calves, a step that could lead to the mass production of drugs for humans in cows' milk. The Associated Press reported from Boston.

The male calves born last week were created through a combination of cloning and genetic engineering by researchers at the University of Massachusetts and Advanced Cell Technology Inc.

The calves are not the first animal clones with altered genes: two lambs have a human gene expected to make them produce a protein helpful in blood clotting. But drug-making cows could be more valuable because they produce much more milk than sheep.

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NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
IBM	120.00	4.5	15.0	120.00	118.00	119.00	+1.00
Microsoft	55.00	3.5	18.0	55.00	54.00	54.50	+0.50
Apple	45.00	3.0	20.0	45.00	44.00	44.50	+0.50
Oracle	35.00	3.0	22.0	35.00	34.00	34.50	+0.50
Sun	25.00	3.0	25.0	25.00	24.00	24.50	+0.50
HP	20.00	3.0	28.0	20.00	19.00	19.50	+0.50
Intel	15.00	3.0	30.0	15.00	14.00	14.50	+0.50
Motorola	10.00	3.0	35.0	10.00	9.00	9.50	+0.50
Verizon	5.00	3.0	40.0	5.00	4.50	4.75	+0.25
AT&T	4.00	3.0	45.0	4.00	3.50	3.75	+0.25

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Amazon	15.00	3.0	30.0	15.00	14.00	14.50	+0.50
Google	10.00	3.0	35.0	10.00	9.00	9.50	+0.50
Yahoo	5.00	3.0	40.0	5.00	4.50	4.75	+0.25
Alibaba	3.00	3.0	45.0	3.00	2.50	2.75	+0.25
Facebook	2.00	3.0	50.0	2.00	1.50	1.75	+0.25
Twitter	1.00	3.0	55.0	1.00	0.50	0.75	+0.25
LinkedIn	0.50	3.0	60.0	0.50	0.25	0.375	+0.125
Slack	0.25	3.0	65.0	0.25	0.125	0.1875	+0.0625
Zoom	0.125	3.0	70.0	0.125	0.0625	0.09375	+0.03125
Dropbox	0.0625	3.0	75.0	0.0625	0.03125	0.046875	+0.015625

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Netflix	1.00	3.0	80.0	1.00	0.50	0.75	+0.25
Spotify	0.50	3.0	85.0	0.50	0.25	0.375	+0.125
SoundCloud	0.25	3.0	90.0	0.25	0.125	0.1875	+0.0625
Bandcamp	0.125	3.0	95.0	0.125	0.0625	0.09375	+0.03125
SoundCloud	0.0625	3.0	100.0	0.0625	0.03125	0.046875	+0.015625
Bandcamp	0.03125	3.0	105.0	0.03125	0.015625	0.0234375	+0.0078125
SoundCloud	0.015625	3.0	110.0	0.015625	0.0078125	0.01171875	+0.00390625
Bandcamp	0.0078125	3.0	115.0	0.0078125	0.00390625	0.005859375	+0.001953125
SoundCloud	0.00390625	3.0	120.0	0.00390625	0.001953125	0.0029296875	+0.0009765625
Bandcamp	0.001953125	3.0	125.0	0.001953125	0.0009765625	0.00146484375	+0.00048828125

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Spotify	0.125	3.0	130.0	0.125	0.0625	0.09375	+0.03125
SoundCloud	0.0625	3.0	135.0	0.0625	0.03125	0.046875	+0.015625
Bandcamp	0.03125	3.0	140.0	0.03125	0.015625	0.0234375	+0.0078125
SoundCloud	0.015625	3.0	145.0	0.015625	0.0078125	0.01171875	+0.00390625
Bandcamp	0.0078125	3.0	150.0	0.0078125	0.00390625	0.005859375	+0.001953125
SoundCloud	0.00390625	3.0	155.0	0.00390625	0.001953125	0.0029296875	+0.0009765625
Bandcamp	0.001953125	3.0	160.0	0.001953125	0.0009765625	0.00146484375	+0.00048828125
SoundCloud	0.0009765625	3.0	165.0	0.0009765625	0.00048828125	0.000732421875	+0.000244140625
Bandcamp	0.00048828125	3.0	170.0	0.00048828125	0.000244140625	0.0003662109375	+0.0001220703125
SoundCloud	0.000244140625	3.0	175.0	0.000244140625	0.0001220703125	0.00018310546875	+0.00006103515625

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Bandcamp	0.0001220703125	3.0	180.0	0.0001220703125	0.00006103515625	0.000091577145625	+0.00003051171875
SoundCloud	0.00006103515625	3.0	185.0	0.00006103515625	0.00003051171875	0.0000457885728125	+0.000015255859375
Bandcamp	0.00003051171875	3.0	190.0	0.00003051171875	0.000015255859375	0.00002289428640625	+0.0000076279296875
SoundCloud	0.000015255859375	3.0	195.0	0.000015255859375	0.0000076279296875	0.000011447143203125	+0.00000381396484375
Bandcamp	0.0000076279296875	3.0	200.0	0.0000076279296875	0.00000381396484375	0.0000057235716015625	+0.000001906982421875
SoundCloud	0.00000381396484375	3.0	205.0	0.00000381396484375	0.000001906982421875	0.00000286178580078125	+0.0000009534912109375
Bandcamp	0.000001906982421875	3.0	210.0	0.000001906982421875	0.0000009534912109375	0.000001430892900390625	+0.00000047674560546875
SoundCloud	0.0000009534912109375	3.0	215.0	0.0000009534912109375	0.00000047674560546875	0.0000007154464501953125	+0.000000238372802734375
Bandcamp	0.00000047674560546875	3.0	220.0	0.00000047674560546875	0.000000238372802734375	0.00000035772322509765625	+0.0000001191864013671875
SoundCloud	0.000000238372802734375	3.0	225.0	0.000000238372802734375	0.0000001191864013671875	0.000000178861612548828125	+0.00000005959320068359375

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Bandcamp	0.0000001191864013671875	3.0	230.0	0.0000001191864013671875	0.00000005959320068359375	0.0000000894308062744140625	+0.000000029796600341796875
SoundCloud	0.00000005959320068359375	3.0	235.0	0.00000005959320068359375	0.000000029796600341796875	0.00000004471540313720703125	+0.0000000148983001708984375
Bandcamp	0.000000029796600341796875	3.0	240.0	0.000000029796600341796875	0.0000000148983001708984375	0.000000022357701568603515625	+0.00000000744915008544921875
SoundCloud	0.0000000148983001708984375	3.0	245.0	0.0000000148983001708984375	0.00000000744915008544921875	0.0000000111788507843017578125	+0.000000003724575042724609375
Bandcamp	0.00000000744915008544921875	3.0	250.0	0.00000000744915008544921875	0.000000003724575042724609375	0.00000000558942539215087890625	+0.0000000018622875213623046875
SoundCloud	0.000000003724575042724609375	3.0	255.0	0.000000003724575042724609375	0.0000000018622875213623046875	0.000000002794712696075439453125	+0.00000000093114376068115234375
Bandcamp	0.0000000018622875213623046875	3.0	260.0	0.0000000018622875213623046875	0.00000000093114376068115234375	0.0000000013973563480377197265625	+0.000000000465571880340576171875
SoundCloud	0.00000000093114376068115234375	3.0	265.0	0.00000000093114376068115234375	0.000000000465571880340576171875	0.00000000069867817401885986328125	+0.0000000002327859401702880859375
Bandcamp	0.000000000465571880340576171875	3.0	270.0	0.000000000465571880340576171875	0.0000000002327859401702880859375	0.000000000349339087009429931640625	+0.00000000011639297008514404296875
SoundCloud	0.0000000002327859401702880859375	3.0	275.0	0.0000000002327859401702880859375	0.00000000011639297008514404296875	0.0000000001746695435047149658203125	+0.000000000058196485042572021484375

NYSE
Tuesday's 4 P.M. Close
(Continued.)

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
IBM	120.00	4.5	15.0	120.00	118.00	119.00	+1.00
Microsoft	55.00	3.5	18.0	55.00	54.00	54.50	+0.50
Apple	45.00	3.0	20.0	45.00	44.00	44.50	+0.50
Oracle	35.00	3.0	22.0	35.00	34.00	34.50	+0.50
Sun	25.00	3.0	25.0	25.00	24.00	24.50	+0.50
HP	20.00	3.0	28.0	20.00	19.00	19.50	+0.50
Intel	15.00	3.0	30.0	15.00	14.00	14.50	+0.50
Motorola	10.00	3.0	35.0	10.00	9.00	9.50	+0.50
Verizon	5.00	3.0	40.0	5.00	4.50	4.75	+0.25
AT&T	4.00	3.0	45.0	4.00	3.50	3.75	+0.25

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Amazon	15.00	3.0	30.0	15.00	14.00	14.50	+0.50
Google	10.00	3.0	35.0	10.00	9.00	9.50	+0.50
Yahoo	5.00	3.0	40.0	5.00	4.50	4.75	+0.25
Alibaba	3.00	3.0	45.0	3.00	2.50	2.75	+0.25
Facebook	2.00	3.0	50.0	2.00	1.50	1.75	+0.25
Twitter	1.00	3.0	55.0	1.00	0.50	0.75	+0.25
LinkedIn	0.50	3.0	60.0	0.50	0.25	0.375	+0.125
Slack	0.25	3.0	65.0	0.25	0.125	0.1875	+0.0625
Zoom	0.125	3.0	70.0	0.125	0.0625	0.09375	+0.03125
Dropbox	0.0625	3.0	75.0	0.0625	0.03125	0.046875	+0.015625

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Netflix	1.00	3.0	80.0	1.00	0.50	0.75	+0.25
Spotify	0.50	3.0	85.0	0.50	0.25	0.375	+0.125
SoundCloud	0.25	3.0	90.0	0.25	0.125	0.1875	+0.0625
Bandcamp	0.125	3.0	95.0	0.125	0.0625	0.09375	+0.03125
SoundCloud	0.0625	3.0	100.0	0.0625	0.03125	0.046875	+0.015625
Bandcamp	0.03125	3.0	105.0	0.03125	0.015625	0.0234375	+0.0078125
SoundCloud	0.015625	3.0	110.0	0.015625	0.0078125	0.01171875	+0.00390625
Bandcamp	0.0078125	3.0	115.0	0.0078125	0.00390625	0.005859375	+0.001953125
SoundCloud	0.00390625	3.0	120.0	0.00390625	0.001953125	0.0029296875	+0.0009765625
Bandcamp	0.001953125	3.0	125.0	0.001953125	0.0009765625	0.00146484375	+0.00048828125

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Spotify	0.125	3.0	130.0	0.125	0.0625	0.09375	+0.03125
SoundCloud	0.0625	3.0	135.0	0.0625	0.03125	0.046875	+0.015625
Bandcamp	0.03125	3.0	140.0	0.03125	0.015625	0.0234375	+0.0078125
SoundCloud	0.015625	3.0	145.0	0.015625	0.0078125	0.01171875	+0.00390625
Bandcamp	0.0078125	3.0	150.0	0.0078125	0.00390625	0.005859375	+0.001953125
SoundCloud	0.00390625	3.0	155.0	0.00390625	0.001953125	0.0029296875	+0.0009765625
Bandcamp	0.001953125	3.0	160.0	0.001953125	0.0009765625	0.00146484375	+0.00048828125
SoundCloud	0.0009765625	3.0	165.0	0.0009765625	0.00048828125	0.000732421875	+0.000244140625
Bandcamp	0.00048828125	3.0	170.0	0.00048828125	0.000244140625	0.0003662109375	+0.0001220703125
SoundCloud	0.000244140625	3.0	175.0	0.000244140625	0.0001220703125	0.00018310546875	+0.00006103515625

Stock	Dr	Yld	PE	100 High	Low	Close	Chg
Bandcamp	0.0001220703125	3.0	180.0	0.0001220703125	0.00006103515625	0.000091577145625	+0.00003051171875
SoundCloud	0.00006103515625	3.0	185.0	0.00006103515625	0.00003051171875	0.0000457885728125	+0.000015255859375
Bandcamp	0.00003051171875	3.0	190.0	0.00003051171875	0.000015255859375	0.00002289428640625	+0.0000076279296875
SoundCloud	0.000015255859375	3.0	195.0	0.000015255859375	0.0000076279296875	0.000011447143203125	+0.00000381396484375
Bandcamp	0.0000076279296875	3.0	200.0	0.0000076279296875	0.00000381396484375	0.00000572357160625	+0.000001906982421875
SoundCloud	0.00000381396484375	3.0	205.0	0.00000381396484375	0.000001906982421875	0.000002861785803125	+0.0000009379940625
Bandcamp	0.000001906982421875	3.0	210.0	0.000001906982421875	0.0000009379940625	0.00000143089290625	+0.00000047699703125
SoundCloud	0.0000009379940625	3.0	215.0	0.0000009379940625	0.00000047699703125	0.000000715446453125	+0.000000238498515625
Bandcamp	0.00000047699703125	3.0	220.0	0.00000047699703125	0.000000238498515625	0.0000003577232265625	+0.0000001192492578125
SoundCloud	0.000000238498515625	3.0	225.0	0.000000238498515625	0.0000001192492578125	0.00000017886161328125	+0.00000005962462890625
Bandcamp	0.0000001192492578125	3.0	230.0	0.0000001192492578125	0.00000005962462890625	0.000000089430806640625	+0.000000029812314453125
SoundCloud	0.00000005962462890625	3.0	235.0	0.00000005962462890625	0.000000029812314453125	0.0000000447154033203125	+0.0000000149061572265625
Bandcamp	0.000000029812314453125	3.0	240.0	0.000000029812314453125	0.0000000149061572265625	0.00000002235770166015625	+0.00000000745307861328125
SoundCloud	0.0000000149061572265625	3.0	245.0	0.0000000149061572265625	0.00000000745307861328125	0.0000000111788508303125	+0.000000003726539306640625
Bandcamp	0.00000000745307861328125	3.0	250.0	0.00000000745307861328125	0.000000003726539306640625	0.00000000558942541515625	+0.0000000018632696533203125
SoundCloud	0.000000003726539306640625	3.0	255.0	0.000000003726539306640625	0.0000000018632696533203125	0.000000002794712707578125	+0.00000000093163482666015625
Bandcamp	0.0000000018632696533203125	3.0	260.0	0.0000000018632696533203125	0.00000000093163482666015625	0.0000000013973563537890625	+0.000000000465817413330078125
SoundCloud	0.00000000093163482666015625	3.0	265.0	0.00000000093163482666015625	0.000000000465817413330078125	0.00000000069867817689453125	+0.0000000002329087066650390625
Bandcamp	0.000000000465817413330078125	3.0	270.0	0.000000000465817413330078125	0.0000000002329087066650390625	0.000000000349339088447265625	+0.00000000011645435333251953125
SoundCloud	0.0000000002329087066650390625	3.0	275.0	0.0000000002329087066650390625	0.00000000011645435333251953125	0.0000000001746695442236328125	+0.000000000058227176666259765625
Bandcamp	0.00000000011645435333251953125	3.0	280.0	0.00000000011645435333251953125	0.000000000058227176666259765625	0.00000000008733477211181640625	+0.0000000000291135883331298828125
SoundCloud	0.000000000058227176666259765625	3.0	285.0	0.000000000058227176666259765625	0.0000000000291135883331298828125	0.000000000043667386055908203125	+0.00000000001455679416656494140625
Bandcamp	0.0000000000291135883331298828125	3.0	290.0	0.0000000000291135883331298828125	0.00000000001455679416656494140625	0.0000000000218336930279541015625	+0.000000000007278397083282470703125
SoundCloud	0.00000000001455679416656494140625	3.0	295.0	0.00000000001455679416656494140625	0.000000000007278397083282470703125	0.00000000001091684651397705078125	+0.0000000000036391985416412353515625
Bandcamp	0.000000000007278397083282470703125	3.0	300.0	0.000000000007278397083282470703125	0.0000000000036391985416412353515625	0.000000000005458423256988525390625	+0.00000000000181959927082061767578125
SoundCloud	0.0000000000036391985416412353515625	3.0	305.0	0.0000000000036391985416412353515625	0.00000000000181959927082061767578125	0.0000000000027292116284942626953125	+0.000000000000909799635410308837890625
Bandcamp	0.00000000000181959927082061767578125	3.0	310.0	0.00000000000181959927082061767578125	0.000000000000909799635410308837890625	0.00000000000136460581424713134765625	+0.0000000000004548998177051544189453125
SoundCloud	0.000000000000909799635410308837890625	3.0	315.0	0.000000000000909799635410308837890625	0.0000000000004548998177051544189453125	0.000000000000682302907123565673828125	+0.00000000000022744990885257720947265625
Bandcamp	0.0000000000004548998177051544189453125	3.0	320.0	0.0000000000004548998177051544189453125	0.00000000000022744990885257720947265625	0.0000000000003411514535617828369140625	+0.000000000000113724954426288604736328125
SoundCloud	0.00000000000022744990885257720947265625	3.0	325.0	0.00000000000022744990885257720947265625	0.000000000000113724954426288604736328125	0.00000000000017057572678089141845703125	+0.0000000000000568624772131443023681640625
Bandcamp	0.000000000000113724954426288604736328125	3.0	330.0	0.000000000000113724954426288604736328125	0.0000000000000568624772131443023681640625	0.000000000000085287863390445709228515625	+0.00000000000002843123860657215118408203125
SoundCloud	0.0000000000000568624772131443023681640625	3.0	335.0	0.0000000000000568624772131443023681640625	0.00000000000002843123860657215118408203125	0.0000000000000426439316952228546142578125	+0.000000000000014215619303286075592040625
Bandcamp	0.00000000000002843123860657215118408203125	3.0	340.0	0.00000000000002843123860657215118408203125	0.000000000000014215619303286075592040625	0.00000000000002132196584761142730712890625	+0.0000000000000071078096516430377960203125
SoundCloud	0.000000000000014215619303286075592040625	3.0	345.0	0.000000000000014215619303286075592040625	0.0000000000000071078096516430377960203125	0.000000000000010660982923805713653564453125	+0.00000000000000355390482582151889801015625
Bandcamp	0.0000000000000071078096516430377960203125	3.0	350.0	0.0000000000000071078096516430377960203125	0.00000000000000355390482582151889801015625	0.0000000000000053304914619008594282822265625	+0.000000000000001776952412910759449005078125
SoundCloud	0.00000000000000355390482582151889801015625	3.0	355.0	0.00000000000000355390482582151889801015625	0.000000000000001776952412910759449005078125	0.0000000000000026652457309504297141411328125	+0.0000000000000008884762064553797245025390625
Bandcamp	0.000000000000001776952412910759449005078125	3.0	360.0	0.000000000000001776952412910759449005078125	0.0000000000000008884762064553797245025390625	0.00000000000000133262286547521485707056640625	+0.00000000000000044423810322768986225126953125
SoundCloud	0.0000000000000008884762064553797245025390625	3.0	365.0	0.0000000000000008884762064553797245025390625	0.00000000000000044423810322768986225126953125	0.000000000000000665311432737607428535283203125	+0.000000000000000222119051613844931125634765625
Bandcamp	0.00000000000000044423810322768986225126953125	3.0	370.0	0.00000000000000044423810322768986225126953125	0.000000000000000222119051613844931125634765625	0.0000000000000003326557163688037142676416015625	+0.0000000000000001110595258069224655628173828125
SoundCloud	0.000000000000000222119051613844931125634765625	3.0	375.0	0.000000000000000222119051613844931125634765625	0.0000000000000001110595258069224655628173828125	0.000000000000000166327858184401857133820803125	+0.00000000000000005552976290346123278140869140625
Bandcamp	0.0000000000000001110595258069224655628173828125	3.0	380.0	0.0000000000000001110595258069224655628173828125	0.00000000000000005552976290346123278140869140625	0.000000000000000083163929092200928566910440625	+0.0000000000000000277648814517306163907043453125
SoundCloud	0.00000000000000005552976290346123278140869140625	3.0	385.0	0.00000000000000005552976290346123278140869140625	0.0000000000000000277648814517306163907043453125	0.0000000000000000415819645461004642834522203125	+0.00000000000000001388244072586530819535217265625
Bandcamp	0.0000000000000000277648814517306163907043453125	3.0	390.0	0.0000000000000000277648814517306163907043453125	0.00000000000000001388244072586530819535217265625	0.00000000000000002094098227305023214172611015625	+0.000000000000000006941220362932654097676086328125
SoundCloud	0.00000000000000001388244072586530819535217265625	3.0	395.0	0.00000000000000001388244072586530819535217265625	0.000000000000000006941220362932654097676086328125	0.00000000000000001047049113652511607086305515625	+0.0000000000000000034706101814663270488380431640625
Bandcamp	0.000000000000000006941220362932654097676086328125	3.0	400.0	0.000000000000000006941220362932654097676086328125	0.0000000000000000034706101814663270488380431640625	0.0000000000000000052352455682625558404315278125	+0.000000000000000001735305090733163524419021640625
SoundCloud	0.0000000000000000034706101814663270488380431640625	3.0	405.0	0.0000000000000000034706101814663270488380431640625	0.000000000000000001735305090733163524419021640625	0.00000000000000000261762278413127792021561390625	+0.0000000000000000008676525453665817622095108203125
Bandcamp	0.000000000000000001735305090733163524419021640625	3.0	410.0	0.000000000000000001735305090733163524419021640625	0.0000000000000000008676525453665817622095108203125	0.000000000000000001308811392065638960107806953125	+0.00000000000000000043382627268329088110475540625
SoundCloud	0.0000000000000000008676525453665817622095108203125	3.0	415.0	0.0000000000000000008676525453665817622095108203125	0.00000000000000000043382627268329088110475540625	0.0000000000000000006544056960328194800539034765625	+0.000000000000000000216913136341645440552377703125
Bandcamp	0.00000000000000000043382627268329088110475540625	3.0	420.0	0.00000000000000000043382627268329088110475540625	0.000000000000000000216913136341645440552377703125	0.00000000000000000032720284801640974002695173828125	+0.0000000000000000001084565681708227202761888515625
SoundCloud	0.000000000000000000216913136341645440552377703125	3.0	425.0	0.000000000000000000216913136341645440552377703125	0.0000000000000000001084565681708227202761888515625	0.00000000000000000016360142400820487001347586953125	+0.00000000000000000005422828408541136013809442578125
Bandcamp	0.0000000000000000001084565681708227202761888515625	3.0	430.0	0.0000000000000000001084565681708227202761888515625	0.00000000000000000005422828408541136013809442578125	0.000000000000000000081800712004102435006737934765625	+0.000000000000000000027114142042705680069047212890625
SoundCloud	0.00000000000000000005422828408541136013809442578125	3.0	435.0	0.00000000000000000005422828408541136013809442578125	0.000000000000000000027114142042705680069047212890625	0.0000000000000000000409003560020512175033689673828125	+0.0000000000000000000135570710213528400345236064453125
Bandcamp	0.000000000000000000027114142042705680069047212890625	3.0	440.0	0.000000000000000000027114142042705680069047212890625	0.0000000000000000000135570710213528400345236064453125	0.0000000000000000000204501780010256087516844836953125	

World Roundup

Far-Ranging Tour

GOLF The 1998 European golf tour opens this week far from the Continent.

The first tournament, the Johanne Walker Classic, opens Thursday at the Blue Canyon Country Club in Phuket, Thailand.

The tour will stage its first seven events in Thailand, Australia, South Africa, United Arab Emirates, Qatar and Morocco. It will reach European soil in March with the Portuguese Open, with the next four tournaments in Spain, France, and Italy and ending in England in May. (AP)

English Leader Loses

SOCCER A goal in the third minute by Kevin Davies lifted Southampton to a 1-0 victory over the Premier League leader, Manchester United, in the Saints' third straight home victory over the Reds. The result Monday, only Manchester United's fourth loss, prevented the champion from opening up an eight-point lead at the top of the standings and gave a glimmer of hope to the runners-up. (AP)

Barcelona surrendered a 3-0 home lead to lose, 4-3, to Valencia on a last-minute goal by Ariel Ortega and remain second in the Spanish title race. (AP)

Renzo Ulivieri resigned Tuesday as coach of Bologna after a clash with Roberto Baggio. But the club's chairman, Giuseppe Gazoni Frascara, asked him to take 24 hours to reconsider his decision. Ulivieri said, "I can't bear the climate" after Baggio, star of two World Cups, stormed out on the eve of a home match against Juventus because he was told to start the game on the substitutes' bench. (Reuters)

Yankee Seeks \$9 Million

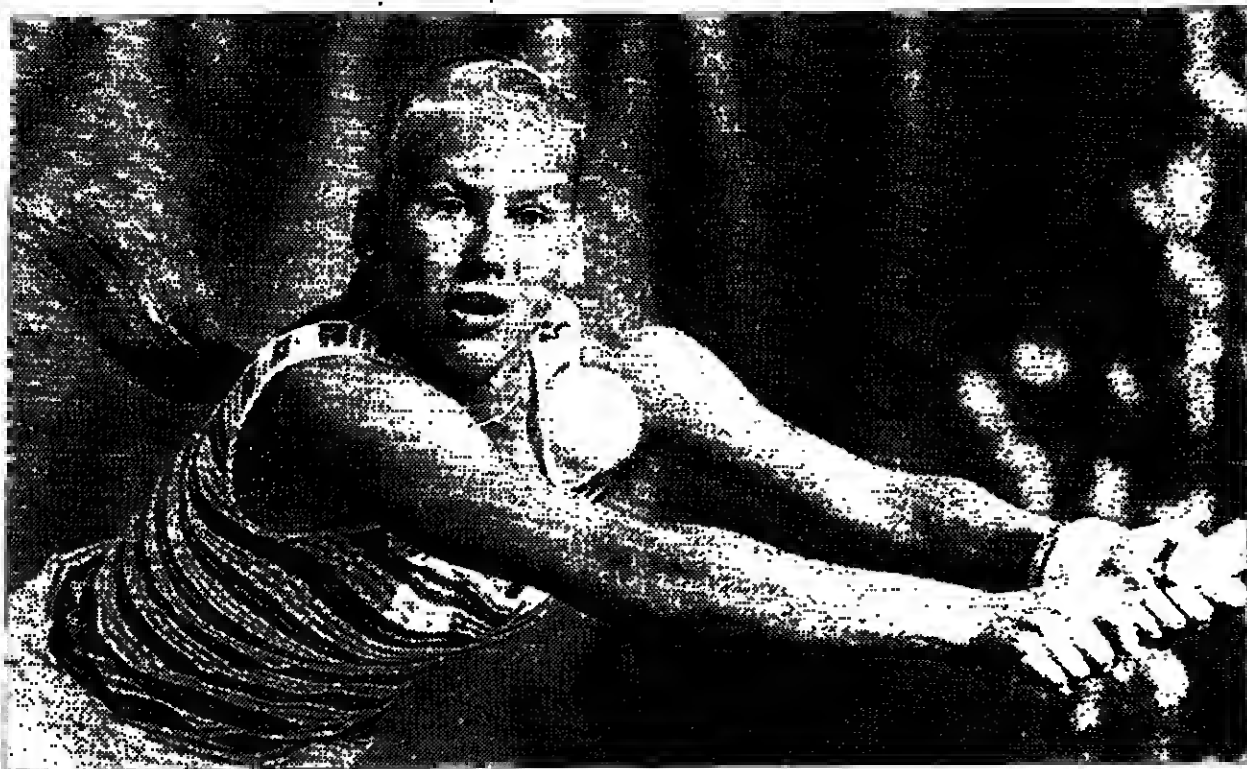
BASEBALL Bernie Williams, unable to negotiate a multiyear contract with the New York Yankees, asked for a record \$9 million salary in arbitration for what may be his final season with the team. New York countered at \$7.5 million Monday, the highest figure ever offered by a team and a raise of \$2.2 million. (AP)

No Bonus for Quarterback

FOOTBALL The Carolina Panthers won't give their quarterback, Kerry Collins, a \$6 million bonus in order to keep the remaining three years of his contract intact. The Charlotte Observer reported Tuesday, if Collins does not receive the bonus, he could become a restricted free agent. (AP)

Wizards' Star Arrested

BASKETBALL Chris Webber, the Washington Wizard forward, was arrested after scuffling with a police officer who had stopped him for speeding, authorities said. Webber, 24, faces several charges, including assaulting a police officer. He was to appear in court Tuesday for bond to be set. (AP)



Russia's Anna Kournikova returning Tuesday to Katarina Studenikova of Slovakia. Kournikova won, 6-2, 6-1.

Hingis Shines as Sukova Fades Out

Ivanisevic Crashes in First Round While Agassi and Chang Advance

By Robin Finn
New York Times Service

MELBOURNE — Martina Hingis, who made history last year when she became the youngest Australian Open champion at the age of 16, pranced through her opening match Tuesday in the cloud-strewn stadium in straight sets.

But Day 2 was less forgiving to the 13th-seeded Goran Ivanisevic and the veteran Thomas Muster, twice a semifinalist here, and Helena Sukova, who twice reached this Grand Slam tournament's final. All three lost their first-round matches.

Sporting dyed brown, newly bobbed hair and matching brown contact lenses as she began the first of three Grand Slam title defenses in 1998, Hingis had no trouble subduing her German opponent, Wiltrud Probst, 6-1, 6-2.

Hingis seemed unconcerned by her minimal preparation for this event, an opening-round loss to Venus Williams last week in Sydney. "I'm not tired now and I'm here to win this," she said.

Ivanisevic has accused himself of lackluster performances on the Grand Slam front for the past couple of seasons, and his 6-2, 7-6 (7-3), 3-6, 6-4 upset by the 71st-ranked Jan Siemerink of the Netherlands was further evidence of the Croat's slide.

A first-round loser in three of his last four Grand Slam tournaments, Ivanisevic did not attend his obligatory post-match news conference; under new rules, he will be fined up to \$10,000 as a result.

The eighth-seeded Muster, whose career hit its zenith when he won the French Open in 1995, was uncharacteristically submissive and perilously error-prone in a 6-4, 7-6 (7-5), 7-5 thrashing by the 243rd-ranked Jan Appel, a Swedish qualifier. Though Muster, at 30 the oldest statesman of the top 10, saved three match points against the 26-year-old Appel, an errant crosscourt forehand sent him packing in the first round.

"I had a lot of unforced errors when I

tried to attack and put speed on the ball, and that was about it," Muster said.

The 32-year-old Sukova's 4-6, 7-5, 6-0 loss to 94th-ranked Anne Miller was a career-ending defeat. Though Sukova, ranked 78th, will play doubles, this match activated her retirement from singles.

She earned 10 singles titles and holds 14 Grand Slam doubles crowns, including a 1996 Wimbledon doubles title that made history because she earned it with Hingis, then 15 and the youngest Wimbledon champion in 110 years.

Michael Chang, the No. 3 American, struggled against the 91st-ranked Kenneth Carlsen of Denmark, but emerged victorious, 6-3, 7-6 (7-2), 5-7, 6-3.

In other matches Tuesday, The Associated Press reported:

Patrick Rafter, the U.S. Open champion, played two astonishing points for a key break in the next-to-last game before overcoming stubborn Jeff Tarango in the first round.

Rafter's big serve and acrobatic volleying finally prevailed over Tarango's baseline sharpshooting, 7-6 (7-4), 7-6 (7-4), 6-7 (4-7), 7-5.

Some of the most devastating shots came at 5-5 in the final set.

On the first point, Rafter surprised Tarango by chasing down shots on opposite sidelines, and pressuring the American into netting a forehand.

Two points later, he went ahead 0-40 by curling a forehand passing shot down the line on a dead run.

That almost wasn't enough. Tarango, ranked No. 58, got back to deuce on two errors by the No. 2 seed and a passing shot that he punctuated with a fist gesture toward Rafter that drew boos from the crowd.

But two Tarango errors gave Rafter the game, and he served out the match, ending with his 26th ace.

Earlier in the final set, Tarango was given an unsportsmanlike conduct warning after holding up two fingers and shouting at the umpire. "That's two you owe me, and you know it."

Tarango said, "I was trying to be like a pit bull and hang on and scrape and hope that an opportunity would come. To his credit, it didn't."

Andre Agassi also had to struggle through his first-round match — against Marzio Panelli, an Italian qualifier.

Agassi took an early 3-1 lead, but then lost five straight games to Panelli, ranked 133rd, and let the second set's second game slip away after six break points and 11 deuces. Then he rallied for a 3-6, 7-6 (7-3), 6-2, 6-2 victory.

In other matches, the U.S. Open finalist Greg Rusedski, seeded fifth, served 27 aces in beating David Witt, 7-6 (7-4), 6-3, 6-4.

Gustavo Kuerten, the French Open champion who is ranked No. 12, won 6-3, 3-6, 6-3, 6-2 against Jacobo Diaz of Spain. No. 9 Marcelo Rios trounced Grant Stafford, 6-1, 6-0, 6-3, and No. 16 Albert Costa beat Tommy Haas, 7-6 (7-5), 6-2, 6-4.

Tim Henman, a Wimbledon quarter-finalist last year and ranked 18th, fought off two match points at 6-7 in the final set before losing, 6-3, 6-7 (3-7), 6-2, 5-6, 11-9, in 4 hours, 19 minutes to 101st-ranked Jerome Golmard of France.

No. 3 Amanda Coetzer, a semifinalist here the last two years, beat Barbara Paulus, 6-2, 6-0, and No. 5 Mary Pierce, the 1995 winner and 1997 runner-up, shut out Li Fang, 6-0, 6-0.

For other results, see Scoreboard, Page 19.



Jerome Golmard of France, who ousted Tim Henman in five sets.

For Soccer Refugees, Ecstasy, Then Agony

Why Some Mercenaries Just Don't Fit In

By Rob Hughes
International Herald Tribune

SCORING goals is like making babies: it is the ultimate purpose of a game, of life. Generally, it makes people happy.

But to foreigners in a strange culture, the ecstasy of the moment can be dulled by the pain of not feeling really appreciated. Temur Ketsbaia and Savo Milosevic are two of soccer's modern mercenaries, players released from volatile struggles in their Georgian and Yugoslav homelands to make their fortunes in England.

Last Saturday, Ketsbaia scored in the 90th and final minute a goal that gave Newcastle United its first victory in nine games. The capacity 36,000 crowd reacted with tumultuous relief. Ketsbaia appeared momentarily deranged: He wrenched off

EUROPEAN SOCCER

his shirt and threw it toward spectators. He gesticulated wildly toward the coaching bench. He kicked and kicked again at the advertising boards behind the goal.

His eyes were glazed, and his teammates were thrust aside as they tried to congratulate him. A man alone in the crowded theater of sport, a player losing self-control at the peak of performance.

Why? Around the same hour, 100 miles away, another of England's imports, Milosevic, incensed followers of Aston Villa, for whom he has played two seasons. He reportedly spat at some of those fans as they exercised their right to boo an acquiescent performance as they were routed, 5-0, at Blackburn Rovers. Three days previously, Milosevic scored the goal that kept Villa in the running for the Football Association Cup.

Hard though he tries, Milosevic does not spark empathy with the fans. Alongside Stan Collymore, England's most powerful yet brooding center-forward, they make the Odd Couple, gifted but unreliable. Milosevic was told Tuesday that he is no longer welcome in England. A player who spits at his own team's customers — especially a foreigner — has to go.

Why? Ketsbaia and Milosevic are among the refugees of soccer. They hail from places ruined by war, and they looked for riches and glory in the Mother Country of this increasingly international sport.

Their difficulties are not linguistic, for there are currently some 40 tongues spoken in England's erstwhile insular pastime. Their struggle to integrate is unusual because there are 157 players among the 20 major English clubs who expect to see World Cup action this summer. They must be doing something right, achieving some harmony where the pound is strong, the television image is all powerful, the agents flourish like bacteria.

The failings of Ketsbaia and Milosevic are on both sides. Their ability is more coveted than their temperament, and they are not getting enough help in blending in with the natives. Milosevic is for sale, and the sooner the better. He showed his hand a few weeks ago when it emerged that Atletico Madrid, which has a Serbian coach, Radomir Antic, wanted Milosevic.

Two things prevented a deal. At-

letico is Villa's next opponent in the UEFA Cup at the beginning of March, and you do not sell your goal scorer to the enemy. Besides, Villa publicly spelled out that Milosevic was under contract, and whatever his new fancy he would be held to a one-year option beyond this season.

Milosevic's spittle changed that. The fans, anyway enraged by the team's recent lethargy — to which Milosevic was at times the exception — queued at the gates of wrath.

"Savo Milosevic should never wear a Villa shirt again," pronounced David Woodall, a club shareholder. "It's not as if he's young and inexperienced." He is 23 and a Yugoslav international.

"Villa fans saw him aim his spit at them, though knowing Savo, he would probably miss anyway," Woodall said. "At least Eric Cantona attacked opposition fans. Milosevic is guilty of doing worse to his own supporters."

His departure will be by mutual consent. What, meanwhile, of Ketsbaia?

His "celebration" last Saturday was the pent-up emotions of a man absolutely desperate to find a cause and to be recognized in the colors. He will be 30 in March; time is not his friend, and when he moved from AEK Athens to Newcastle in the summer, he clearly hoped this was the big one, the move of his life.

He comes from a troubled sporting background. Georgia has long produced the flair players subsumed by the old Soviet Union into the "Russian" team.

TODAY, there is Georgiou Kinkladze, a quixotic talent in England where he dances in the Manchester City midfield and where he a few weeks ago crashed his Ferrari into a tree. Ketsbaia, I suspect, would like a Ferrari; he would like the chances Kinkladze has been given, the remuneration, the adoration.

At Newcastle, however, he joined a house of turmoil. Kenny Dalglish, the coach, wanted Ketsbaia enough to sign him yet even in a season that has fallen apart has granted him sparse opportunity to flourish.

In Europe, Ketsbaia got one chance, scored one goal. In the English league he had also scored once before Saturday and then, coming on 11 minutes from time as a substitute, he exploded.

His goal was a message to Dalglish. His body, now that the shirt was removed, is hooded to eye-catching muscular fitness. His desire is, well, demonic. But he knows that unless he starts 75 percent of Newcastle's games his work permit will not be renewed by the British government. It is that which provokes the show of anger and frustration.

Maybe there is a solution. Villa can release Milosevic to go where he wants, and recruit Ketsbaia to show what he might do once appreciated. A kind of overseas musical chairs.

Rob Hughes is on the staff of The Times of London.

Colombian Joins Parma

The Colombian striker Faustino Asprilla completed his 18 billion lire (\$10.3 million) move from Newcastle to Parma on Tuesday, signing a contract until the end of the 2000-2001 season. Reuters reported from Rome.

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OBSERVER

The Apartment Heist

By Russell Baker

NEW YORK — The excesses associated with Sodom and Gomorrah, the last days of Pompeii and the administration of Ulysses S. Grant are now visible in New York.

Nowhere is the grossness of the age more obvious or more loathsome than in New York's real-estate market. This isn't surprising. Real estate is to New York what the after-dinner orgy was to Rome.

Nothing lights a fire in the New York eye or makes New York blood pound faster than news of a real-estate desperado extracting the wealth of the Indies from some hapless customer. Nothing makes the New Yorker roar with pleasure more surely than a ghastly tale of competing apartment hunters racing the undertaker over a threshold where the lone occupant of a decent apartment has just wheezed his last.

Such was the stuff that passed for Manhattan dinner conversation even in the not-so-good-old days before the new barbarism burst out of Wall Street. Now that the gutters are awash in money, real-estate stories reflect a state of depravity too advanced to be expunged by a mere 40 days and 40 nights of rain.

Just last week The New York Times carried a story that must have repelled every civilized reader. The subject was the rental price of Manhattan housing for the well-to-do. Landlords are now charging \$25,000 a month for their fancier digs.

That's not rent, it's a bank heist. What's more, this doesn't include groceries, car insurance, tip money for the doorman, skis for the slopes at Aspen, or the scratch

needed to put the tenant's youthful produce into Manhattan's private schools.

Public school would be madness. Once word got around the playground that the youngster's father was paying \$300,000 a year in rent, somebody, possibly the principal, would be tempted to try his skill at kidnapping for ransom. Private schools know this, and charge accordingly.

The great bull market of the Clinton Age has done for conspicuous consumption what free agency has done for baseball players. It has made excess a way of life.

In some ways the worst of it is what has happened to money's reputation. Once, money was a thing to be respected. Now it's a trivial thing created with a piece of plastic at an ATM. Anyone nowadays who referred to the dollar as "the iron man" or praised something for being "sound as a dollar" would be considered a lunatic.

Can you still be corrupted by love of money now that money is no longer lovable, but only laughable, like the Ralph Bellamy character too laughable to get the girl?

The Times story on rentals reported that 60 properties each fetched more than \$300,000 in rentals last year. One agent, Beatrice Ducrot, told of offering a rental on Central Park West at \$27,000 a month: nine rooms "and a handful of terraces."

"People lined up, three or four deep. It rented in a day. These people do not just wait around," she observed.

Indeed, why should our tycoons wait around? Dawdle too long and angry Vesuvius may catch you disgracefully long on cash.

New York Times Service

For Israel Philharmonic, Music Barriers Fall

By Emanuel Krasovsky

TEL AVIV — American audiences may have been surprised over the past two weeks to hear the Israel Philharmonic, conducted by Zubin Mehta, play music by Richard Strauss, who was for a time president of the Reich Music Chamber in Hitler's Germany. The orchestra has included Strauss's "Till Eulenspiegel" in many of the programs on its current U.S. tour celebrating the 50th anniversary of the nation's founding.

As recently as four years ago, the music of Strauss, like that of the openly anti-Semitic Richard Wagner — whose works were used by the Nazis on state occasions — was banned in Israel. These bans received international attention as attempts to introduce Wagner's music, particularly into the repertoire of the Philharmonic met with vigorous opposition.

But while the ban on Wagner still holds, the orchestra has slipped several major works by Strauss into its repertoire in the last three years, including the "Symphonies Domestica," which opened the current subscription season. Though the underlying issues have not lost their ability to inflame the public, "Till Eulenspiegel," whether in America or Israel, is now simply business as usual for the orchestra.

This is all a far cry from the balmy April night in 1953 when Jascha Heifetz, on a tour of the five-year-old Jewish state, was assaulted on a Jerusalem street after performing the Strauss Violin Sonata. That incident brought to the fore the continuing debate, starkly intense in this musical country, about the public performance of works by Strauss and Wagner.

Should they be a part of cultural life in Israel, as they are elsewhere? Is artistic merit the only criterion, or should humanitarian concerns matter more? Doesn't a ban, official or otherwise, resemble the methods practiced by the Nazis themselves? Is such a ban a frustrated expression of helplessness or a symbol of remembrance: a legitimate reaction by a people against those who strove to destroy it?

Forty-five years later, even as some of the works in question have found their way to Israel's concert stages, the issue retains its cutting edge and remains grist for public protests and newspaper editorials. But it is worth recalling that Wagner's music played a prominent role at the dawn of professional cultural life here. In 1938, when Arturo Toscanini conducted the Palestine Orchestra (now the Israel Philharmonic) — a body assembled from European refugees by the violinist Bronislaw Huberman — the program included excerpts from "Lohengrin." Toscanini was boycotting the Wagner shrine in Bayreuth, Germany, at the time, and his visit to Palestine was as much an act of solidarity with the dispossessed Jewish musicians as a protest against the Third Reich.



Zubin Mehta wants to do Wagner with the Israel Philharmonic.

Jascha Heifetz led the "Tannhauser" Overture a few months later, and the "Meistersinger" Prelude was to open the next season. But that performance never took place. As rehearsals began, news of the Kristallnacht in Germany reached Tel Aviv. "On Saturday evening, an unscheduled rehearsal was called before the concert," Uri Topelitz, the orchestra's principal flautist from its inception to 1971, said recently. "The management announced that the Wagner would be replaced with the 'Oberon' Overture by Weber."

Strauss, meanwhile, had dropped out of sight more quietly. "In our first season, in 1936, Issay Dobrowen proposed to conduct a Strauss work," Topelitz said. "Huberman, in a letter, refused firmly: No work by a president of the Reich music bureau is welcome."

Like the Philharmonic, the state broadcasting authority and its Jerusalem Symphony ignored these composers and also performers active in the Third Reich, like Wilhelm Furtwängler, Herbert von Karajan, Elisabeth Schwarzkopf, Walter Gieseking and Wilhelm Kempff.

Heifetz, invoking the principle of artistic freedom in 1953, was unable to effect change despite his near legendary status.

But soul-searching continued. Was Israel unwittingly borrowing a page from the book of those who had banned Mendelssohn in Germany? Didn't the boycott of Wagner

and Strauss confer on them a distinction of sorts? Why should their music be viewed differently from, say, works of Chopin, Mussorgsky, Liszt and Honegger, or books by Gogol and Dostoyevsky, whose anti-Semitism was a matter of record?

In 1966, after the establishment of full diplomatic relations with West Germany, the Israel Philharmonic management decided to lift the ban on Wagner and Strauss. An emotional outburst followed, and the retreat was hasty. At a special meeting of the Philharmonic board, Mehta spoke of Wagner's place in the history of Western music and the importance of performing his works for the orchestra's professional growth. To no avail. The management decision was scrapped.

In 1981, the Philharmonic and Mehta, by then its music director, adopted a different strategy. At the end of a concert, the "Liebesold" from Wagner's "Tristan und Isolde" would be presented as an encore. Audience members who did not care to listen could leave. Two players opposed the decision and refused to take part. At the concert, pandemonium broke out. A shaken Mehta left the podium in midphrase. The performance collapsed.

"I do not respect Wagner at all as a human being, but I cannot stay away from his music," Mehta said recently. "In fact, I have an obsessive love for it. When my musicians finally play 'Tristan,' they will instinctively understand so much more of what came after, because musically we are eating the fruit of the Wagner tree, but we do not see the tree. My frustration is that because of this love I have for the man's creativity, I cannot play his music with my favorite orchestra."

At the time, Mehta was accused of insensitivity. But the musical community rose quickly to his defense, and the Israel Philharmonic named him music director for life.

On another front, Avi Hanani, who took over the music department of the state radio in Jerusalem in 1982, lifted the ban on composers. "Mind you, we held no festival for Richard Strauss but went on exploring his work step by step," Hanani said. "A couple of years later, Wagner's turn came. To those who expressed reservations, I explained we were not clearing anybody's name." Hanani said. "But it is our duty in a democracy to assure free access to information."

Today, even as the controversy has narrowed to Wagner alone, attitudes differ and tensions smolder. When the orchestra decided to play Strauss, Shmuel Schmitzer, formerly the chief editor of Maariv, canceled his Philharmonic subscription of long standing. "For 60 years it was possible to do without this music," he said. "Did anything change now?"

Emanuel Krasovsky, who is on the faculty of the Samuel Rubin Academy of Music at Tel Aviv University, wrote this for The New York Times.

PARIS FASHION

Chanel and Lacroix Are Tripping the Light Fantastic

By Suzy Menkes
International Herald Tribune

PARIS — Karl Lagerfeld leaped back into Coco's embrace, and the union between the powerful designer and the eternal Mademoiselle has never looked so fruitful as Tuesday's Chanel show.

As a model stood on the salon stairway, in a tiny jacket and flaring skirt, worn insouciantly with high heels, a cluster of jewels and diamond teardrops on cheeks and on the tulle hair net, the spirit of Coco was reincarnated.

"I had to — this is her house, and you can't do here the kind of spectacle show I have done in the past," Lagerfeld said.

He was referring to staging the show at the Rue Cambon salon, where client Nan Kempner reminisced how Coco was crouching on the stairs when she came to buy a going-away outfit in 1952. Susan Gutfreund also remembered her first visit at age 16. Their take on the new show? In unison, a gasp of joy and one word: "dazzling."

And so it was — not in a razzle-dazzle way, but in the elegance, refinement and apparent simplicity that was, as the client Corinne Ricard said, "light as a breeze."

It was also devilishly clever. Because things that seemed so throw-away simple — say the swiny little knit skirt — turned out to be traced in tiny beads on tulle. Or a white silk wave-patterned jacket, where the threads were hand-braided to end in a fringe at the hips.

Apart from clunky diamonds that struck a heavy note above slithering evening dresses, the collection was faultless. And those dresses, cut from a single piece of satin that broke like a wave over an underdress, were a couture moment when the complex seems pure simplicity.

The show started by making a new flared knee-length skirt look adorable, and the new wrapped jacket or elongated cardigan its ideal partners. For the day wear, the diamond feather pins mixed in a rubble of faux pearls updated exactly the Chanel style. So did barely-there evening



Chanel's slithery double dress, left, and Lacroix's fairy-light gown.



dresses, either layered in black, or white but shimmering with paillettes or silver embroideries.

Also magical was the link between past and future, as the small heads in their tulle skullcaps bobbed above linear 1920s-style dresses. Even the embroideries seemed modern when flower petals were scattered like confetti. By the time the bride flipped her tulle train down the stairwell as Lagerfeld took his bow, the audience was cheering.

The actress Charlotte Rampling summed up the magic that only Lagerfeld seems to be able to capture in couture: "So timeless but catching other times," she said.

Christian Lacroix was in Fairyland. In his Midsummer Night's Dream, there was Titania being dressed by her fairies: Cobweb painting tulle down pink and pale blue; Peasblossom snipping it into ragged tufts; Mustardseed plucking a bluebell and turning it into a dainty purse.

croix would reduce his fancy confections to a sleek coatdress in white guipure lace, or a column of ruffled tulle. Alternatively, a coat was in multi-colored tulle pieces like a bird of paradise.

For the colors, think lilac, sugared-almond pink, faded-drangas blues and sudden dragonfly-wing flashes of green or frillily yellow. The jewels were delicate, translucent and fairy-like.

But why fairies? "Just because we live in a period when there is not much enchantment around," said Lacroix as he took the backstage bows.

Far from Fairyland was the collection of linear dresses with twists of draping in Josephus Melchior Thimister's show — although he too used tulle folded to give decorative effects without embellishment. For a ready-to-wear collection, the Dutch-born designer showed clean, modern clothes, but they were hard to read as new-generation couture.

The result was pure enchantment — fashion as light and gauzy as the Victorian fairy paintings that had inspired the show. But this was not the theater-loving couturier sending out costumes to Tinkerbell music on the dappled runway.

Sweet sighs from the audience summed up the mood: If you could find some place to go in these ethereal dresses, you would snatch them off the models' backs, grab their flower-patterned shoes and curling feather headresses in tender colors.

It takes a lot to turn a romantic fantasy into runway reality, and in this show Lacroix surpassed himself. Given that you accept him as a decorator in the light-handed French tradition that produced Rococo and the Parisian plissier, you could not ask for a more vivid imagination, more delicate handwork nor more succulent mixes of color, tone and fabric.

Behind the magic, there was a structure: curving jackets over the little dresses that opened the show; evening dresses corseted or sculpted to nestle on the bosom. But on them went dewdrop beads, scattered flowers like fallen stars, a cumulus of tulle sleeves or buttons shaped into roses. Sometimes Lacroix

THE 1998 Polar Music Prize was awarded Tuesday to the Indian sitarist and composer Ravi Shankar and the American soul legend Ray Charles. Shankar, 77, was honored as a musical bridge-builder between East and West, and Charles, 67, was hailed for influencing generations of singers and musicians. The winners will receive .1 million kronor (\$125,000) each at the prize ceremony in Stockholm on May 12.

The surviving members of Monty Python will reunite for the first time since 1989 at the fourth annual U.S. Comedy Arts Festival in Aspen, Colorado, in March. The festival will feature a retrospective and a tribute to John Cleese, Terry Gilliam, Eric Idle, Terry Jones and Michael Palin as well as to Graham Chapman, who died in 1989.

Brigitte Bardot, the French film star turned animal rights campaigner, was fined Tuesday for comments she made about the Islamic ritual of slaughtering sheep. A Paris court fined her 20,000 francs (\$3,250) for racial slurs and inciting racial hatred. Another court had fined Bardot 10,000 francs last October for the same offense.

A spokeswoman for Elizabeth Hurley said the rumor that the actress-model has a new beau is "completely ridiculous" and that she and Hugh Grant are still together. The New York Post, citing sources it didn't identify, had said the British community in Hollywood was buzzing about a romance between Hurley and Lord John Somerset, a free-lance record producer who is separated from his wife. Hurley and Grant are in New York filming the romantic comedy "Mickey Blue Eyes," which Hurley is producing.

Ewan McGregor stars as Nick Leeson in "Rogue Trader," a movie based on the imprisoned trader's book. Leeson's nearly \$1.38 billion in losses led to the 1995 collapse of



STAR WASH — The actor Christian Slater washing a police car at the La Verne, California, jail, where he is serving a 90-day sentence for attacking his girlfriend.

Barings Bank, and he is now serving a six-and-a-half-year term in prison in Singapore.

Pat Boone has received the inaugural Michael Archangel Award from the National Association of Chiefs of Police. The group has for two years sent families of slain officers a message of consolation that includes a tape of Boone's songs about officers injured or killed in the line of duty. Boone said that after civil disturbances in the 1960s and 1970s, he wrote "Won't Be Home Tonight," about an officer killed in a drug bust. "I wanted to humanize the police," Boone said. "I wanted these songs to be played on the radio, to counteract the thinking that law enforcement is our enemy."

The lobby of a new building on Rupert Murdoch's 20th Century-Fox lot in Los Angeles features a 36-foot-high (11-meter) mural of the media mogul's fingerprint — specifically the index finger of his right hand. "It's a version of the portrait of the leader that you might see in the lobby of an old office building," the artist, Tony Berlant, said in The New Yorker. "You might say he's pointing the way." The mural has 10 panels, each made of dozens of pieces of tin cut into abstract shapes, nailed to a wooden backing and painted in colors of the California landscape.

Dominique de Menil's Thanks to Houston: She Said It With Art

By Sam Howe Verhovek
New York Times Service

HOUSTON — Dominique de Menil died on the last day of 1997, at the age of 89, and in the days since there has been a steady outpouring of tributes and fond remembrances of this remarkable art collector and philanthropist, a frail woman with the strongest of wills whom Peter Marzio, the director of the Museum of Fine Arts in Houston, describes simply as "the single greatest cultural force in the history of Houston."

She has been equally celebrated for the influence that she and her husband, John, had on the politics of the city. It began with their very early, very public support of a pro-integration slate of candidates for the school board in the 1960s — not that de Menil ever really bothered to separate her feelings about politics and culture.

"She had a double passion for truth and beauty, and for human dignity and freedom," said the Reverend Helen M. Havens, rector of St. Stephen's Episcopal Church, in a sermon a few days after she died. "She held together her passions for the arts and for liberty. To her, they were two sides of the same coin." De Menil once wrote, in the preface to a book about the Rothko Chapel she built in Houston: "Through art, God constantly clears a path to our hearts."

With the human rights foundation she established with former President Jimmy Carter, de Menil was also widely remembered for attracting international dignitaries to Houston, like the Dalai Lama and Nelson Mandela. And people recalled the flair she had for attracting famous artists to the city, including the painter Rene Magritte, whom she once famously brought to the local rodeo.

A recurring theme of these tributes has been gratitude and not a little wonder that after the Paris-born de Menil fled Nazi-occupied France and arrived here in 1941, Houston remained her home.

She built up the 15,000-piece Menil Collection, an eclectic assemblage that ranges from antiquities and the Byzantine period to tribal art from the Pacific Northwest to 20th-century artists like Picasso, Calder and Warhol. The Menil holdings are routinely described as one of the greatest private art collections in the world, and she was wooed by officials in Paris, New York and elsewhere to move it all someplace else. But it remained in Houston, and all of it is open to the public free in a building that was designed by the Italian architect Renzo Piano, an elegant combination of wood, steel and glass.

Nearly as two striking pieces of architecture in the form of wooden-denominational chapels, also open to the public. One has a series of Rothko paintings and the

other 13th-century Byzantine frescoes from Cyprus. She and her husband supported dozens of other artistic endeavors, including the Museum of Fine Arts and several large exhibitions devoted to work by black artists.

Why Houston? The decision to come to what was then a complete cultural backwash had absolutely nothing to do with art. Her family fortune came from the Schlumberger oil-field services, and Houston was where the action was. But long after she inherited the fortune, she and her husband could have easily moved, and they never did, even as the five children in this art-oriented family all gravitated to New York City.

Instead they devoted themselves to putting Houston on the art map. "They really created this notion that Houston didn't have to be a backwater," Marzio said, "that there was this potential, particularly with all the wealth that was growing here, for Houston to become an important cultural center."

Paul Winkler, the director of the Menil Collection, recalled that de Menil once joked that the lack of great culture she and her husband encountered in 1940s Houston actually was a great inspiration. "She said: 'If I had remained in Paris, I probably never would have been such a collector. There's so much culture there already,'" Winkler recalled.



Dominique de Menil devoted herself to putting the city on the art map.

Handwritten text: 10/25/98